City of Frisco, Texas

Annual Comprehensive Financial Report

For the Fiscal Year Ended September 30,2024

CITY OF FRISCO, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Prepared by:

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FRISCO
PROGRESS IN MOTION

Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2024

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FRISCO
PROGRESS IN MOTION

INTRODUCTORY SECTION

March 4, 2025

To the Honorable Mayor, Members of the City Council, City Manager, & Residents of the City of Frisco, Texas:

The Financial Services Department is pleased to submit the *Annual Comprehensive Financial Report (ACFR)* of the City of Frisco, Texas (the City), for the year ended September 30, 2024, in accordance with the City Charter.

This report is published to provide our residents, our bondholders, the City Council, staff and other interested parties with detailed information concerning the financial condition and activities of the City. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. We also believe that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

Forvis Mazars, Certified Public Accountants, has issued unmodified ("clean") opinions on the City of Frisco's financial statements for the year ended September 30, 2024. The report of the independent auditors is located at the beginning of the Financial Section.

This letter of transmittal is designed to complement Management's Discussion and Analysis (MD&A) and should be read in conjunction with the MD&A which can be found immediately following the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements.

City Profile

The City of Frisco, incorporated in 1908, is in west central Collin County and east central Denton County, approximately 25 miles north of downtown Dallas at the intersection of the Dallas North Tollway (DNT) and State Highway 121 Sam Rayburn Tollway (SRT). US Highway 380 is the northern border for the City. Frisco is readily accessible via SRT from the Dallas Fort Worth International Airport or via the DNT from Love Field Airport in Dallas. The City currently encompasses (incorporated and unincorporated) 70 square miles which is approximately 13% undeveloped or available, and 8% floodplain.

Frisco is a political subdivision that operates as a home-rule city under the laws of the State of Texas and a charter approved by the voters in 1987 and amended in 2002, 2010 and 2019. The government is empowered to levy a property tax on both real and personal property located within its boundaries. The government also has the power by state statute to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the Council.

The City operates under the Council/Manager form of government. Policy-making and legislative authority are vested in the governing council, which consists of a Mayor and a six-member Council. The governing council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the government's manager, attorney and municipal judge. The City Manager is the chief administrative officer. He is responsible for carrying out the policies and ordinances of the council, for overseeing the day-to-day operations of the government, and for appointing the heads of the City Departments. The Council is elected on a non-partisan basis. Council members are elected to three-year staggered terms, with two council members elected every year. The Mayor is elected to three-year terms. The Council members and the Mayor are elected at-large and are limited to three consecutive elective terms.

Financial Reporting

The financial reporting entity (the government) includes all the funds of the primary government (the City of Frisco as legally defined, in addition to three discretely presented component units as discussed further in this report). Services that are provided have proven to be necessary and meaningful and are those that the City can usually provide at the most efficient cost. The government provides a full range of services including police and fire protection; emergency ambulance service; environmental health; sanitation services; community development; building inspections; traffic control; parks and libraries; the construction and operation of water, sewer, drainage, streets and infrastructure; convention and tourism activities, and cultural events. Additionally, general administrative services are provided by the City to the various City Departments.

Discretely presented component units are legally separate entities and not part of the primary government's operations. Accordingly, the Frisco Economic Development Corporation, the Frisco Community Development Corporation and the City of Frisco Charitable Foundation are included in the financial statements as discretely presented component units.

The Council is required to adopt a final budget by no later than the close of the fiscal year. The annual budget serves as the foundation for the City's financial planning and control. All departments are required to submit requests for appropriation to the City Manager's Office each year during budget development. These requests are used to develop a proposed budget. The proposed budget is then presented to the City Council for review on or before August 15. The City Council is required to hold public hearings and to adopt a final budget no later than September 30, the close of the City of Frisco's fiscal year. The budget is prepared by fund (e.g., general), function (e.g., public safety), department (e.g., police), division (e.g., patrol), and object (e.g., expense). Transfer of appropriations within a department may be made with approval of the Department Head. Transfers within funds may be made with approval of the City Manager. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

Financial reports are produced showing budget and actual expenditures by line item and are made available monthly for managers to review. All financial information is also available for managers online and in real time. Finance and budget staff analyze for budgetary compliance by line item. Personnel expenditures are monitored and controlled at a position control level and capital expenditures are monitored and controlled by project by the City Budget Office. Revenue budgets are reviewed monthly, and variances are reported to management and City Council.

Local Economy

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates. Our location in North Texas and the population growth in Collin and Denton Counties have provided Frisco with great opportunities. Frisco is a community that offers exceptional housing, top ranked schools, and a dynamic business culture. We have a stable, diverse economic base, educated labor pool, strong property tax base, and are considered a shopping destination, which creates a high performing sales tax base. Data from the U.S. Census Bureau's 2023 American Community Survey shows Frisco's median household income at $141,129, which is considerably higher than the $75,780 median income for Texas. Also, according to the same survey, Frisco's residents are well-educated with 67.5% of adults age 25 or older holding a bachelor's degree or a higher level of education, compared to 34.2% for Texas. The current unemployment rate is 3.6%. Frisco's unemployment rate is frequently lower than state and/or federal levels, indicating a robust and resilient local economy.

The Frisco Economic Development Corporation (FEDC) continues to assist the City by facilitating new projects for growth and diversification. The FEDC also operates a business retention and expansion program to assist companies currently located in Frisco.

During FY24, twenty-six (26) new projects were announced, with a potential of 268,077 square feet leased and 1.8 million square feet of potential new mixed-use development creating a capital investment of $1.58 billion. Estimated potential direct jobs created or retained total 4,188. The prospect pipeline generates a strong stream of incoming leads monthly.

Dude Perfect, Nomura Research Institute IT Solutions America, Inc., Tokio Marine Highland, Parkhill, Smith & Cooper, Inc., and bounteous x Accolite, Inc. announced expansions of their current Frisco offices. Thomson Reuters, CohnReznick, Gannett and Merrill Lynch Wealth Management announced relocation of regional corporate offices to Frisco.

Plug and Play Tech Center, a global venture capital firm and accelerator headquartered in Sunnyvale, California, expanded their operations in Frisco. The company will help attract additional risk capital to Frisco to strengthen the business startup ecosystem while also creating 4 new jobs and occupying 6,000 square feet at The Star District. Plug and Play will also open and operate an innovation hub in Frisco focused on startup education and investor network programming.

Fields West, a ‘best-in-class’ mixed-use development along Dallas North Tollway (DNT) and Fields Parkway is beginning to shape Frisco’s northern business corridor. The mixed-use project will be built on 49.5 acres, south of Fields Parkway and west of Dallas Parkway. The development will include Class A Office, retail, entertainment, restaurant, recreation, residential and open space(s). Collectively, the mixed-use, master planned community is estimated to have a value of more than $660 million. The developer must build 350,000 square feet of upscale retail and restaurant space, 320,000 square feet of Class A office space, and 1,100 multifamily units. Fields West is part of 2,500 contiguous acres

spanning the city's northern border. Aside from PGA of America—a 600-acre campus which opened in 2022—Universal Kids is being developed east of the DNT, north of Panther Creek Parkway.

Firefly Park Development began construction on the 200+ acre mixed use planned development. Dream Hotels announced a 200-key boutique luxury hotel as its first location in North Texas to be the anchor hospitality project of Firefly Park. The landmark project calls for a total of 3 million square feet of office space, 2,200 residential units and 340,000 square feet of planned retail space. Phase 1 includes 170,000 square feet of upscale retail, 340,000 square feet of Class A office, and 170,000 square feet of upscale hospitality. The project is set to include a $30 million private park and open space with a trail system along a chain of small lakes and parks with an outdoor amphitheater.

On September 17, 2024, The City of Frisco, the Frisco Community Development Corporation, Frisco Independent School District, and the Hunt Family announced agreements to extend the lease term for major league soccer team FC Dallas and to fund up to $182 million in improvements for Toyota Stadium. The renovations include but are not limited to 3,400 more seats; a structure for shaded seating; upgrades to the club and luxury suites; as well as new broadcast booths and press box areas. The development agreement also extends the stadium lease more than 30 years. The project will also deliver more than $1 billion in private investment of phased mixed-use development. Phase 1 includes a 200-key upscale hotel; 30,000 square feet of retail and restaurant space; and a 200-unit multifamily luxury, high-rise building to be delivered by 2035; Phase 2 includes 200,000 square feet of Class A office space and a new structured parking garage to be completed by 2037.

The Mix project, formerly known as Wade Park, saw a new long-term agreement between owners and developers, JVP, the City of Frisco, The Frisco Economic Development Corporation, and Frisco Community Development Corporation. The 175+ acre mixed use, master planned development will include more than 2.1 million square feet of class A office and 3,300 residential units. Phase 1 includes development of an upscale grocery store such as a Whole Foods or Central Market, in addition to 33,000 square feet of upscale residential, 630 urban living/townhomes, 114,000 square feet of Class A medical office facilities, and redevelopment of a subterranean parking structure which will accommodate 2,250 parking space including 500 public spaces.

Star Business Park has continued to add significantly to the Frisco property tax base with hundreds of jobs created by numerous tenants including Fortune 500 companies such as Amazon and Home Depot. With more than 1.5 million square feet of commercial light industrial facilities since inception, the development has continued to grow, adding 200,000 square feet of new buildings, facilities and employers in 2024.

The city has committed to reinvestment in historic downtown, also known as the Rail District. The more than $78 million redevelopment is designed to improve walkability, create rail-themed public gathering places, and provide a venue for live music and other performances achieved by major roadway improvements, a plaza, and public parking garage. Construction began in July 2024 with anticipated completion in the second quarter of 2026.

The Frisco EDC completed the first year of its three-year innovation strategy focused on targeted initiatives to attract high-growth tech firms, corporate innovation, venture capitalist offices, and smart cities technologies to Frisco. In 2024, Frisco attracted seven technology companies, four of which are international firms, hosted several venture capitalist investors and attended the largest smart city conference participating on panels attracting smart city technology pilots and investment to Frisco.

Frisco's housing development did see a decline in single-family permitting with 1,285 issued in 2024. There were two (2) new multi-family permits issued in 2024 value totaling $14,675,331 and seventy (70) new commercial permits issued during 2024 adding 1.69 million square feet and valued over $394 million.

Frisco is a tourism destination leader with venues and attractions that generate significant economic benefits to Frisco retailers, restaurants, hotels, as well as other businesses. Current studies from Visit Frisco show 7.5 million visitors spending $5.5 million per day with an estimated economic impact of $2.4 billion. In 2024, for the second consecutive year, Frisco hosted the 59th annual Academy of Country Music Awards (ACMA) Show at Ford Center at The Star. In addition, PGA Frisco will host the KPMG Women's Championship in June 2025, the second of six major championships over the next 12 years - including two PGA Championships, expecting to bring thousands of attendees and generate millions in economic impact.

Frisco ISD (FISD), a public school district within the City considers itself a "Destination District" for families moving to or relocating within the North Texas area. There are currently 77 schools, including 43 elementary, 1 intermediate school, 18 middle schools, 12 high schools and 3 special program centers. Frisco ISD's student enrollment as of October 2024 was more than 65,000 students. A Bond Referendum passed in November 2018 provides capital for the FISD's continued building program through the 2025-26 school year or 72,000 students. Other ISD's in the City of Frisco include Prosper, Lewisville, and Little Elm.

The City of Frisco and University of North Texas (UNT) partnership has continued to bring the innovation of UNT to the community through the branch campus in North Central Frisco, at the southwest corner of Preston Road and Panther Creek Parkway designed to serve at least 5,000 students in the first anchor building. Collin College, a community college district in Collin County, continues to expand the Preston Ridge Campus (PRC) in Frisco with current enrollment of more than 8,500 students. In 2024, Collin College announced a new Health Sciences Center to be located at the Frisco campus in order to meet the growing needs of healthcare professional jobs across Collin County and the region.

Looking ahead to 2025 and beyond, the City anticipates continued development interest and investment as our business attraction and retention efforts, as well as our schools, public safety, infrastructure, and parks systems make Frisco one of the best places to live, work, play, educate and innovate.

Long-Term Financial Planning-Capital Improvement Program

The City has a high level five-year financial model including staffing requirements and a five-year capital improvement plan. We monitor our property values added through building permits, sales tax collections, and residential building permit starts. Master Planning for the locations of future Fire Stations, Parks, and Public Facilities are completed and approved by the City Council. The City encourages and provides incentives for new and updated opportunities and developments to sustain our financial economy. Staffing levels are recommended by Executive Directors due to growth and programming demands during the annual budget process. The City used bond authority approved by voters in May 2019 and May 2023 for the fiscal year 2024 Capital Improvement Program.

In July 2024 (FY24), the City issued additional general obligation debt of $98 million to fund Roadways $39 million, Public Safety $30.6 million, Downtown Parking Garage $18 million and Parks Development and Facilities $10.5 million.

Infrastructure (including roads and drainage) includes Frisco Street, Dallas Parkway, Legacy Drive, Lebanon Road, Fields Parkway, and Teel Parkway and is funded through voter approved bonds, impact fees and developer contributions.

Certificates of Obligation were issued for the construction of Northwest Community Park $40 million, and several water and sewer system improvements $20 million. The impact of the Capital Improvement Program on the operating budgets of the City and the project listing for current and planned projects is included in detail in the FY24 Annual Budget.

According to our financing plan, we will be issuing debt in June 2025 to continue our capital improvement plan, including General Obligation Bonds and Certificates of Obligation to provide funding for infrastructure and building projects.

Relevant Financial Policies

The City Council formed the Finance & Audit Committee in 2003. The Committee meets on an as-needed basis, and at least quarterly, to discuss financial and budgetary information for long-term planning, financial policies, fund balance reserve requirements, tax rate recommendations and fees for services recommendations.

We continue to contract services to provide internal control monitoring and to provide a reasonable assurance of proper recording of financial transactions. We have developed a model which allows staff to evaluate risks and action plans for internal controls.

The City has recognized the long-term financial implications of its pension and retiree health benefits, as well as staffing compensation decisions and policies. Regarding pensions, we have adopted funding as proposed by the Texas Municipal Retirement System to ensure the long-term strength of the plan. For retiree health care, we provide an optional retirement health plan, funded by the retirees to meet their health care insurance coverage needs until age 65. We review plan designs for our benefits offered on an annual basis to provide a sustainable benefit to our employees without shifting costs to future taxpayers and to comply with any new federal laws and regulations. Other Post Employment Benefit (OPEB) liabilities are based on an actuarial study each year.

The City has adopted financial policies that set forth the basic framework for the fiscal management of the City. These policies are developed within the parameters established by applicable provisions of the Texas Local Government Code and the City Charter. The policies are reviewed on an annual basis and new policies are added or current policies modified to accommodate changing circumstances or conditions and best practices.

None of the City's financial policies had a significant impact on the current period's financial statements, as the City was able to maintain reserve levels within the stated policies for the governmental funds. Constant review of revenue and expenditure trends and reserve levels is maintained with specific responsibility assigned to the Chief Financial Officer.

Budget Development 2024

The FY25 approved appropriation provides funding for implementation of City Council's strategies and priorities as adopted during 2024. As we developed the funding plan for FY25, special considerations

were given to inflation which impacts operational costs and construction costs, and the many special projects that we continue to manage. The population assumption growth is 2.6%. A priority for the Council is to develop commercial/retail along US380, and we believe that ongoing development in the Northwest quadrant of the City will meet the priority.

We added 33 new positions (31 full time and 2 part time/seasonal) for FY25. Staffing for FY25 includes 1,846 authorized positions, with 1,629.88 FTE (full-time equivalent), or approximately 6.73 FTE per capita (1,000 population). Of the total new positions, 15 were for water and sewer. With the current labor market demands, additional funding of approximately $5.7 million is included in the FY25 budget for additional personnel funding. An average 4% merit-based increase for civilians and a one step 3% increase for uniformed staff was approved. Market increases to salaries to remain competitive in the surrounding area were funded in FY25, with plans to review recruitment practices and retention compensation policies again in FY25 to maintain the City's competitiveness and ability to attract and retain talent. Insurance premiums were held steady for employees with the City absorbing rate increases.

The Finance & Budget Manual was updated and details our major revenue sources and budget development methodology. Links to various information sources regarding property taxes and sales tax are included in the manual. Financial Services also published a condensed version of the Annual Report, *Citizen's Financial Report*, which is very well received and offers a short recap of the financial position and the past year's achievements and statistics. The Budget Office prepared a *Citizen's Budget in Brief* which offers a short recap of the adopted budget and the executive summary written by the City Manager.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Frisco for its *Annual Comprehensive Financial Report (ACFR)* for the fiscal year ended September 30, 2023. This was the twenty-third year that the government has achieved this prestigious award. To be awarded a Certificate of Achievement, a government unit had to publish an easily readable and efficiently organized annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been accomplished without the dedicated services of the entire staff of the Financial Services Department, Budget Department, and our independent auditors. We would like to express our appreciation to staff of the other City departments who assisted and contributed to the preparation and publication of this report in any way. Special thanks are extended to members of the City Council and City Manager's Office for their leadership, oversight and support of professionalism and sound fiscal management.

Respectfully submitted,

Derrick Cotten, CPA
Chief Financial Officer

Minta Hovland, CPFO
Director of Financial Services

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Frisco
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Executive Director/CEO

City of Frisco, Texas

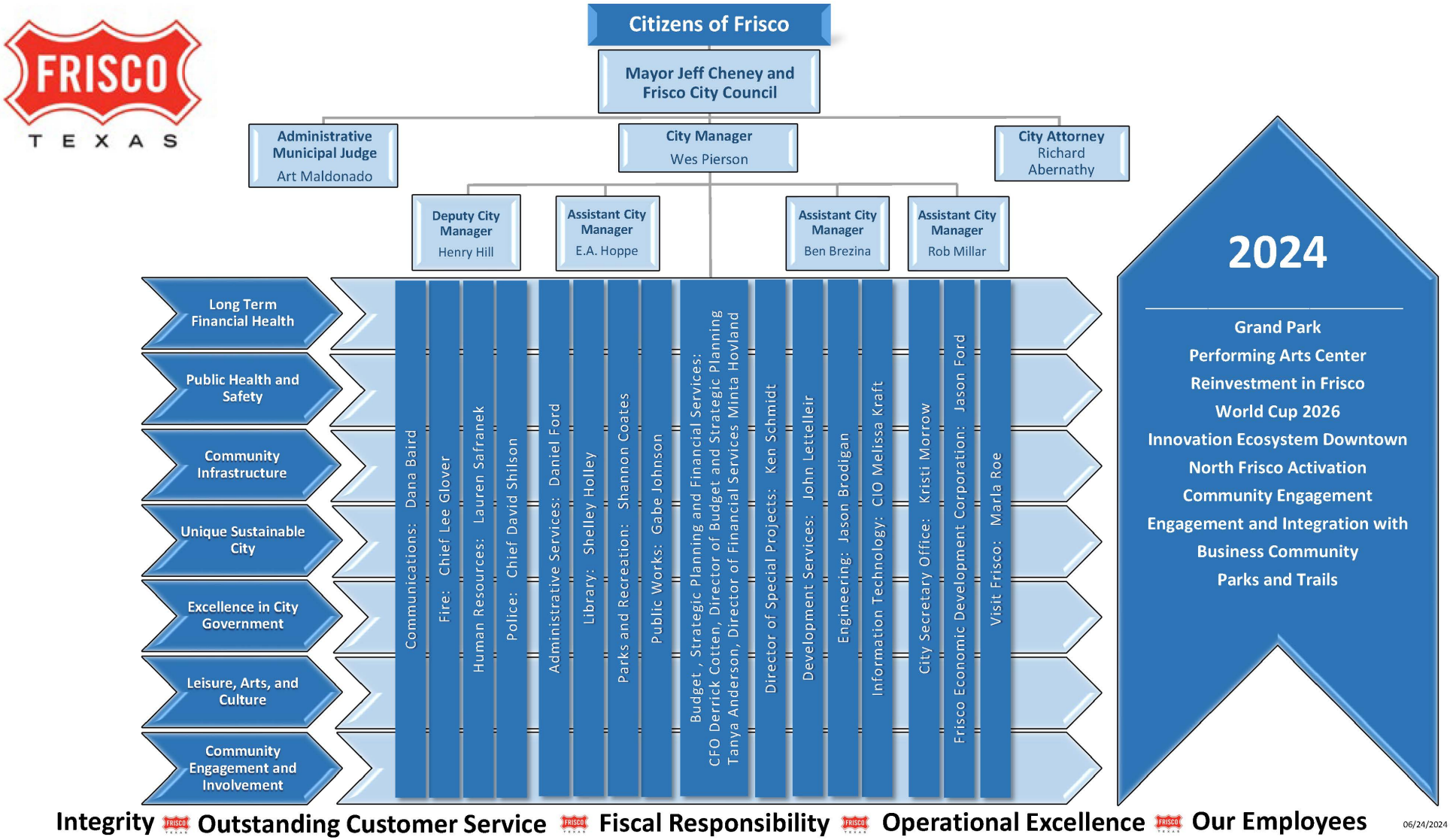
Elected Officials and Administrative Officers
September 30, 2024

Council Members

Mayor	Jeff Cheney
Mayor Pro-tem, Place 4	Bill Woodard
Deputy Mayor Pro-tem, Place 2	Tammy Meinershagen
Councilmember, Place 1	John Keating
Councilmember, Place 3	Angelia Pelham
Councilmember. Place 5	Laura Rummel
Councilmember, Place 6	Brian Livingston

Administrative Officers

City Manager	Wes Pierson
Deputy City Manager	Henry Hill
Assistant City Manager	E.A. Hoppe
Assistant City Manager	Ben Brezina
Assistant City Manager	Rob Millar
City Attorney	Richard Abernathy
City Judge	Art Maldonado
City Secretary	Kristi Morrow
Chief Financial Officer	Derrick Cotten
Chief Frisco Fire	Lee Glover
Chief Frisco Police	David Shilson
Chief Information Officer	Melissa Kraft
Director of Administrative Services	Daniel Ford
Director of Budget & Strategic Planning	Tanya Anderson
Director of Communications	Dana Baird-Hanks
Director of Development Services	John Lettelleir
Director of Financial Services	Minta Hovland
Director of Human Resources	Lauren Safranek
Director of Library Services	Shelly Holley
Director of Parks & Recreation	Shannon Coates
Director of Engineering	Jason Brodigan
Director of Public Works	Gabe Johnson
Economic Development President	Jason Ford
Executive Director Visit Frisco	Marla Roe



Integrity **Outstanding Customer Service** **Fiscal Responsibility** **Operational Excellence** **Our Employees**

06/24/2024

FRISCO
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FINANCIAL SECTION

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Independent Auditor's Report

The Mayor and City Council
City of Frisco, Texas
Frisco, Texas

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Frisco, Texas (City), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and TIRZ #1 funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension, and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and budgetary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Forvis Mazars, LLP

Dallas, Texas
February 19, 2025

FRISCO
PROGRESS IN MOTION

Management's Discussion and Analysis

As management of the City of Frisco, (the City), we offer this narrative overview and analysis of the financial activities and financial position of the City for the fiscal year ended September 30, 2024. In the broadest context, the financial well being of a government lies in the underlying wealth and willingness of its citizens and property owners to pay adequate taxes combined with the vision of the government's elected and appointed leadership to spend those taxes strategically so the City's tax base, service levels, City assets and the City's desirability will be maintained, not just for the current year, but well into the future.

Financial reporting is limited in its ability to provide this "big picture", but rather focuses on financial position and changes in said financial position. In other words, are revenues and/or expenses/ expenditures higher or lower than the previous year? Has net position (containing both short-and long-term assets and liabilities) or fund balances (the current "spendable" assets less current liabilities) of the government been maintained? We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal (starting on page vii of this report) and the statistical section (page 137), as well as information on the City Council's Strategic Goals, the Annual Budget and other community information found on the City's website at www.friscotexas.gov.

It should be noted that the Independent Auditor's Report describes the auditor's association with the various sections of this report and that all the additional information from the website and other City sources is unaudited and has not been updated for events that may have occurred subsequent to the issuance of the respective report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Frisco exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $2,633,366,200 (net position). The majority of the City's assets are invested in capital assets or restricted for specific purposes. The remaining $252,237,546 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fiscal policies.
- The City's net position for governmental activities increased by $111,543,493 as a result of this year's operations. Net position of the City's business-type activities increased as a result of this year's operations by $73,907,852.
- As of the close of the current fiscal year, the City of Frisco's governmental funds reported a combined ending fund balance of $777,274,946. Approximately 13% of this total is available for spending at the City's discretion (unassigned).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was $99,605,373 or 41% of total General Fund expenditures.
- The deferred outflows of the City decreased by $10,763,275 or 21% during the fiscal year. This change is due to amortization of prior balances
- The deferred inflows of the City increased by $76,688,751 or 171% during the fiscal year. This is primarily due to new public private partnerships (PPPs) recorded in the current year.
- The City of Frisco's total debt increased by $82,402,878 or 8% during the fiscal year.

- The ad valorem rate for the City was $.432205 for fiscal year 2024. This tax rate supports debt service, operations and maintenance, and bond programs to construct infrastructure and city facilities. The homestead exemption for residential properties was maintained at 15% for fiscal year 2024 tax statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Frisco's basic financial statements. The City of Frisco's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Frisco finances, in a manner similar to a private-sector business.

The government-wide financial statements are prepared utilizing the economic resources measurement focus and the accrual basis of accounting. The *statement of net position* presents information on all the City of Frisco's assets plus deferred outflows of resources, and liabilities plus deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Frisco is improving or deteriorating. Other non-financial factors should also be taken into consideration, such as changes in the City's property tax base and the condition of the City's infrastructure (i.e., roads, drainage improvements, storm and sewer lines, etc.), to assess the overall health or financial condition of the City.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All the revenues and expenses are considered as soon as the underlying event giving rise to the item occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, retirement plan liabilities and earned but unused vacation leave).

In the statement of net position and the statement of activities, the City's reporting entity is divided into three kinds of activities:

- Governmental activities – Most of the City's basic services are reported here, including police, fire, library, planning and development, traffic engineering, parks and recreation, public works, information technology services, finance, human resources and general administration. Property taxes, sales taxes, franchise taxes, charges for services and intergovernmental revenue finance most of these activities.
- Business-type activities – Includes services for which the City charges a fee to customers to cover all or most of the cost of providing such services. The City's water and sewer system operations, stormwater operations and environmental services are reported as business-type activities.
- Component units – The City includes three separate legal entities in its report – the Frisco Economic Development Corporation, the Frisco Community Development Corporation and the City of Frisco Charitable Foundation. Although legally separate, these "component units" are included because the City is financially accountable for them.

Reporting the City's Most Significant Funds

Fund financial statements. The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by state law and by bond covenants. However, the Chief Financial Officer establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other monies. The City's three kinds of funds – governmental, proprietary and fiduciary – utilize different accounting approaches.

- Governmental funds – The majority of the City's basic services are reported in governmental funds, which focus on how money flows into and out of the funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. The relationships or differences between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is detailed in a reconciliation following each of the governmental fund financial statements.

  The City of Frisco maintains sixteen individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Tax Increment Reinvestment Zone Fund (TIRZ), Capital Projects fund, and the Debt Service fund all of which are considered to be major funds. Data from the other twelve governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements starting on page 108 of this report.

- Proprietary funds – The City charges customers directly for certain services it provides. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. In fact, the City's enterprise funds (a fund type of proprietary funds) are identical to the business-type activities that are reported in the government-wide statements, but enterprise fund financial statements provide more detail and additional information, such as cash flows.

  The City of Frisco maintains three individual enterprise funds. The City uses enterprise funds to account for its water and sewer, storm drainage, and environmental services activities. Only the water and sewer fund is considered to be a major fund of the City.

- Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government wide financial statements because resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that of proprietary funds.

  The City of Frisco maintains one fiduciary fund for the Tourism Public Improvement District.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information (RSI) concerning the City's progress in funding its obligation to provide pension benefits and other post employment benefits to the employees.

THE CITY AS A WHOLE – GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position and assets by category may serve over time as a useful indicator of the government's financial position. In the case of the City of Frisco, assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by $2,633,366,200 as of September 30, 2024.

By far the largest portion of the City's net position (84%) reflects its investment in capital assets (e.g., land, infrastructure, buildings, machinery, and equipment, net of accumulated depreciation and amortization); less any related debt used to acquire those assets that is still outstanding. The City uses these capital and lease assets to provide services to citizens; consequently, the assets are not available for future spending. Although the City's investment in its capital and lease assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Frisco Net Position
September 30, 2024 and 2023

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Current and other assets	$ 976,536,699	$ 829,983,719	$ 247,940,868	$ 251,143,344	$ 1,224,477,567	$ 1,081,127,063
Capital, lease, & subscription assets	2,271,083,933	2,114,269,841	599,880,152	519,572,693	2,870,964,085	2,633,842,534
Total assets	3,247,620,632	2,944,253,560	847,821,020	770,716,037	4,095,441,652	3,714,969,597
Deferred outflows of resources	34,687,138	44,242,070	4,787,253	5,995,596	39,474,391	50,237,666
Other liabilities	79,206,683	69,605,105	17,441,336	21,239,677	96,648,019	90,844,782
Long term liabilities	1,099,732,911	1,003,901,436	183,623,782	177,689,810	1,283,356,693	1,181,591,246
Total liabilities	1,178,939,594	1,073,506,541	201,065,118	198,929,487	1,380,004,712	1,272,436,028
Deferred inflows of resources	120,977,531	44,141,937	567,600	714,443	121,545,131	44,856,380
Net investment in capital assets	1,719,006,495	1,629,704,647	493,028,421	417,152,759	2,212,034,916	2,046,857,406
Restricted	140,794,627	115,789,781	28,299,111	52,921,452	169,093,738	168,711,233
Unrestricted	122,589,523	125,352,724	129,648,023	106,993,492	252,237,546	232,346,216
Total net position	$ 1,982,390,645	$ 1,870,847,152	$ 650,975,555	$ 577,067,703	$ 2,633,366,200	$ 2,447,914,855

An additional portion of the City's net position (6%) represents resources that are subject to external restrictions on how they may be used, including bond covenants. The remaining balance of unrestricted net position $252,237,546 may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies. As of September 30, 2024, the City is able to report positive balances in all three net position categories, both

for the government, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal years.

Analysis of the City's Operations – Overall the City had an increase in net position of $185,451,345.

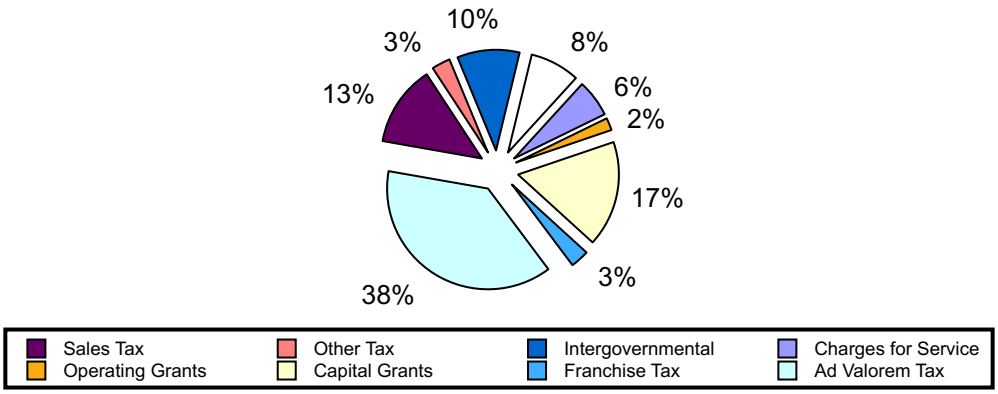
Governmental activities: Governmental activities increased the total net position by $111,543,493 or 60% of the total growth. Net investment in capital assets increased by $89,301,848 due to increases in capital investment (or projects completed during the year), net of changes in debt. Unrestricted net position showed a decrease of $(2,763,201). Restricted net position increased by $25,004,846 primarily due to increases in capital projects and restricted fees to fund the projects.

Total revenues for governmental activities decreased when compared to the prior year by $126,043,373. General revenue had an increase of $33,842,836, while program revenues had a decrease of $159,886,209. These were primarily due to the following factors:

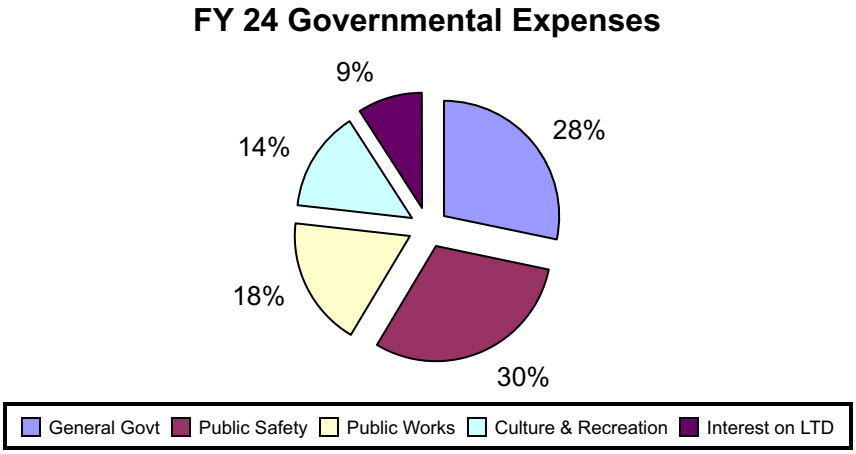
General revenues: Property tax revenue includes an increase of $16.3 million and is due to a combination of the increased value in existing property and the value generated by new improvements. Sales taxes increased $1.1 million, which continues to remain stable after a period of rapid growth following the pandemic. Franchise taxes had a net decrease of $3.3 million and other taxes showed an increase of $2.7 million. Intergovernmental revenues increased $5.8 million due to increases in contributions for debt commitments and capital projects. Investment earnings increased by $11.3 million due to the improvement in overall market conditions, high interest rates and a larger portfolio balance.

Program revenues: Charges for services decreased by $0.9 million during the year, primarily due to decreases in building permits. Operating grants and contributions increased this fiscal year due to increased services for deployments and resource officers. Capital contributions decreased $159 million during the year, primarily due to the capital asset contributions under the master development agreement between the City and Omni PGA Frisco in the previous year.

FY 24 Governmental Revenues



Total expenses for governmental activities increased $29 million or 8%, which is incremental with providing services to the growing population and a result of operating with the effects of post COVID inflation. General government expenses include a payment of $25.8 million to Frisco Independent School District as part of the agreement with the TIRZ to provide property tax revenue generated in the TIRZ for school district construction expenses. Incurred expenses of $129.3 million were to provide public safety to the citizens of Frisco. These expenses were somewhat offset by the collection of revenues from various sources, including grant income and charges for services. Public works incurred significant expenses of $75 million to provide roadway repairs and traffic control/signals for the citizens. These expenses include depreciation for City infrastructure. Total salaries and benefits for the governmental activities totaled approximately $170.0 million or 41% of the total, while depreciation expense totaled $97.0 million or 24%.



Business-type activities: Net position from business-type activities increased by $73,907,852 accounting for the remaining total growth. Program revenues of the City's business-type activities were $237,497,097 for the fiscal year, a 16% increase over the prior fiscal year mainly due to increases to water and sewer rates to cover increased operating costs. Operating expenses increased by 7% for a total of $168,283,049. Additional factors include the following:

> The City's water and sewer system recorded charges for services of $151,885,800 and impact fees and contributions of $47,984,733. Total operating expenses were $138,379,550. The most significant expenses of the water and sewer fund were $51,616,573 to purchase water, $31,620,963 for the cost of sewage treatment, $23,200,317 for depreciation and $17,804,227 for salaries and benefits.

City of Frisco's Changes in Net Position
For the years ended
September 30, 2024 and 2023

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues						
Charges for services	$ 33,044,314	$ 33,981,803	$ 188,104,273	$ 172,495,548	$ 221,148,587	$ 206,477,351
Operating grants and contributions	8,192,900	7,730,605	20,311	15,534	8,213,211	7,746,139
Capital grants and contributions	83,996,036	243,407,051	49,372,513	32,351,274	133,368,549	275,758,325
Total program revenues	125,233,250	285,119,459	237,497,097	204,862,356	362,730,347	489,981,815
General revenues						
Ad valorem tax	203,270,427	186,988,575	—	—	203,270,427	186,988,575
Sales tax	69,858,143	68,795,969	—	—	69,858,143	68,795,969
Franchise tax	12,971,305	16,257,923	—	—	12,971,305	16,257,923
Other tax	15,061,554	12,353,142	—	—	15,061,554	12,353,142
Intergovernmental	49,284,634	43,525,136	2,136,996	8,324,110	51,421,630	51,849,246
Investment earnings	42,774,755	31,457,237	11,109,390	8,176,067	53,884,145	39,633,304
Total general revenues	393,220,818	359,377,982	13,246,386	16,500,177	406,467,204	375,878,159
Total revenues	518,454,068	644,497,441	250,743,483	221,362,533	769,197,551	865,859,974
Expenses						
General government	113,278,014	107,480,307	—	—	113,278,014	107,480,307
Public safety	129,266,692	122,379,383	—	—	129,266,692	122,379,383
Public works	74,720,050	71,000,153	—	—	74,720,050	71,000,153
Culture and recreation	57,101,287	43,578,414	—	—	57,101,287	43,578,414
Interest	36,018,232	36,546,363	—	—	36,018,232	36,546,363
Water and sewer	—	—	143,458,432	131,605,087	143,458,432	131,605,087
Other enterprise funds	—	—	29,903,499	30,115,945	29,903,499	30,115,945
Total expenses	410,384,275	380,984,620	173,361,931	161,721,032	583,746,206	542,705,652
Increase in net position before transfers	108,069,793	263,512,821	77,381,552	59,641,501	185,451,345	323,154,322
Transfers	3,473,700	5,937,762	(3,473,700)	(5,937,762)	—	—
Increase in net position	111,543,493	269,450,583	73,907,852	53,703,739	185,451,345	323,154,322
Net position, October 1	1,870,847,152	1,600,909,860	577,067,703	523,363,964	2,447,914,855	2,124,273,824
Change in accounting principle	—	486,709	—	—	—	486,709
Net position, October 1 adjusted	1,870,847,152	1,601,396,569	577,067,703	523,363,964	2,447,914,855	2,124,760,533
Net position, September 30	$ 1,982,390,645	$ 1,870,847,152	$ 650,975,555	$ 577,067,703	$ 2,633,366,200	$ 2,447,914,855

THE CITY'S FUNDS

Governmental Funds - The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending in the next fiscal year.

At the close of the City's fiscal year on September 30, 2024, the governmental funds of the City reported a combined fund balance of $777,274,946, an increase of $59,090,827 in comparison with the prior year. Unassigned fund balance, which is available for spending at the government's discretion, constitutes $99,605,373 of this balance. The remainder of fund balance is non-spendable, restricted, committed or assigned. 1) Non-spendable fund balances of $10,990,473 includes prepaids, leases, and inventories held by the government, 2) Restricted balances includes bond proceeds and other assets restricted for capital projects $463,561,320, reserves to pay debt service $10,015,182, impact fee revenues restricted for capital project funding $68,611,593, TIRZ #1 balances for other purposes $16,384,267, and other special revenues restricted for a specific purpose $16,920,272, 3) Committed funds included commitments made by resolution by the governing body for insurance reserves and other post-employment benefits (OPEB) $25,975,816, workforce housing programs $301,381 and the capital reserve fund $24,909,269. 4) Assigned fund included commitments made by management for equipment and deferred maintenance $20,000,000 and infrastructure $20,000,000.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was $99,605,373, while total fund balance reached $197,860,010. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 41% of total General Fund expenditures, while total fund balance represents 81% of that same amount. The fund balance of the City's General Fund increased $23,127,445 during the current fiscal year attributed mainly to increases in collections for property tax, and investment earnings while expenditures for most functional areas were less than originally budgeted. Property tax increases were mainly attributable to an 5% increase in taxable value and 4% increase in new developments. Investment earning saw higher returns due to market conditions.

The TIRZ #1 Fund has a total fund balance of $17,219,699. This amount is restricted for future projects within the zone. The changes in the fund balance are attributed to increased property tax and intergovernmental revenue with decreased expenditures.

The Capital Projects Fund has a total fund balance of $466,007,002. The fund balance represents unspent bond proceeds, interest earnings, and grant receivables for roads, facilities and parks. The increase in fund balance is due to debt issuance in 2024 that will be expended in future periods. The revenue recognized is for interest earnings on bond proceeds, intergovernmental/developer agreements for shared costs projects and charges for services.

The Debt Service fund has a total fund balance of $10,015,182, all restricted for retirement of City debt. This is an increase from the previous fiscal year of $3,068,832. This increase is mostly due to higher property tax collections. Additionally, excess collections over the amount required for debt service are used in future years to reduce the tax rate needed to service debt or refund outstanding debt obligation early.

Proprietary Funds – The City of Frisco's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted Net Position of the enterprise funds at September 30, 2024 totaled $129,648,023. Other factors concerning the finances of these funds have already been addressed in the discussion of the business-type activities.

For FY24 there were no restrictions, commitments, or other limitations significantly affecting the availability of fund resources for future use.

GENERAL FUND BUDGETARY HIGHLIGHTS

For FY24, the City Council approved a final appropriation in September 2024 with the total amount of the appropriation equaling $271 million including transfers out to other City funds**.** Amendments were made to reallocate funds appropriated to more accurately account for estimated revenues and expenditures.

With the budget amendments made during the fiscal year, the actual expenditures on a budgetary basis were $248 million compared to the re-estimated (revised) budget amount of $270 million. The $22 million variance in total expenditures (excluding transfers out) is attributed to savings in the General Fund for operational dollars budgeted but not required or expended by September 30. This variance includes professional/contract service expenditures, sales tax grants, capital outlay and salaries budgeted but not expended.

The actual (on a budgetary basis excluding transfers in) revenues were $259 million as compared to the re-estimated (revised) budget amount of $253 million excluding transfers. The $6 million variance in total revenues is attributed to increases over projections in franchise taxes, investment earnings, intergovernmental revenues, and charges for services collections, with decreases under projections in sales tax and licenses and permits.

CAPITAL, LEASE, AND SUBSCRIPTION ASSETS AND DEBT, LEASE, AND SUBSCRIPTION OBLIGATION ADMINISTRATION

Capital, lease, and subscription assets. At the end of the year, the City had $4.3 billion invested in a broad range of capital, lease, and subscription assets, including land, buildings, park facilities, roads, bridges, water and sewer lines, police and fire equipment, and public works operating equipment and machinery. This amount represents a net increase (including additions and deductions) of $357 million over the prior fiscal year. Total accumulated depreciation and amortization as of September 30, 2024, was $1.5 billion for net capital, lease, and subscription assets of $2.87 billion.

Capital, Lease, and Subscription Assets September 30, 2024 and 2023

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Land	$ 403,799,469	$ 398,995,062	$ 11,869,818	$ 11,379,818	$ 415,669,287	$ 410,374,880
Intangible assets	92,227	92,227	—	—	92,227	92,227
Building & improvements	901,997,183	835,449,937	19,539,887	10,178,723	921,537,070	845,628,660
Machinery & equipment	139,254,116	127,658,763	16,257,202	14,387,630	155,511,318	142,046,393
Construction-in-progress	146,609,839	158,313,140	83,075,237	59,804,379	229,685,076	218,117,519
Improvements other than buildings	1,826,676,542	1,648,099,495	773,554,273	705,581,770	2,600,230,815	2,353,681,265
Right-to-use leased buildings	653,456	653,456	—	—	653,456	653,456
Right-to-use leased equipment	753,331	662,701	96,504	96,504	849,835	759,205
Right-to-use SBITAs	6,134,832	1,635,238	208,416	182,435	6,343,248	1,817,673
Total capital, lease, and subscription assets	3,425,970,995	3,171,560,019	904,601,337	801,611,259	4,330,572,332	3,973,171,278
Less:						
Accumulated depreciation/ amortization	(1,154,887,062)	(1,057,290,178)	(304,721,185)	(282,038,566)	(1,459,608,247)	(1,339,328,744)
Total	$ 2,271,083,933	$ 2,114,269,841	$ 599,880,152	$ 519,572,693	$ 2,870,964,085	$ 2,633,842,534

Land purchased included various right-of-ways for roads and utilities. Improvements other than buildings include park construction projects and the developer contributions for road construction throughout the City, as well as traffic signals and lighting projects. Vehicles, machinery and some equipment were added during the year based on our equipment replacement schedule. For FY24, notable additions include $22 million in building improvements including the police headquarters and city hall remodels, and construction of Fire Station #10, $10 million in park development, $150 million towards roads and traffic systems, and $58 million towards water and sewer system improvements.

The City's 2024 Capital Project Multi-Year Budget called for a continuation of the Capital Project Plan. Funding for several major roadway projects, Grand Park and other community parks, fire equipment, facility expansions and new construction, and utility system infrastructure were included in the 2024 Plan.

Additional information regarding capital assets can be found in Note 6 beginning on page 65.

Debt, lease, and subscription obligation administration. At year-end, the City had $1.16 billion in debt, lease, and subscription obligations outstanding as compared to $1.08 billion at the end of the prior fiscal year, an increase of 8% – as shown below.

Outstanding Debt, Lease, and Subscription Obligations September 30, 2024 and 2023

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
General obligation bonds	$ 706,427,046	$ 660,517,678	$ 34,760,585	$ 34,026,011	$ 741,187,631	$ 694,543,689
Certificates of obligation bonds	281,174,240	252,329,588	137,070,609	132,689,622	418,244,849	385,019,210
Leases & SBITAs payable	4,296,969	1,650,194	32,809	146,287	4,329,778	1,796,481
Totals	$ 991,898,255	$ 914,497,460	$ 171,864,003	$ 166,861,920	$ 1,163,762,258	$ 1,081,359,380

In August 2024, the City of Frisco issued General Obligation Refunding and Improvement Bonds, Series 2024 in the amount of $100,750,000 with a net premium of $9,636,329. Proceeds of the sale of the Bonds are to be used for (i) financing permanent improvements for Police and Fire, Streets, Parks, and Downtown Parking Garage; (ii) to refund $20,665,000 of General Obligation Refunding and Improvement Bonds, Series 2014, and Combination Tax and Surplus Revenue Certificates of Obligation, Series 2014 for debt service savings and (iii) to pay the costs associated with the issuance of the Bonds. The current refunding resulted in the reacquisition price exceeding the net carrying amount of the old debt by $132,189. As a result of the transaction, the City reduced total debt service payments by $941,890 and resulted in an economic gain of $811,856.

In August 2024, the City of Frisco issued General Obligation Bonds, Taxable Series 2024 in the amount of $8,970,000 with a net premium of $240,146. Proceeds of the sale of the Bonds are to be used for financing the construction of a parking garage downtown.

In August 2024, the City of Frisco issued Combination Tax and Surplus Revenue Certificates of Obligation, Series 2024 A in the amount of $55,565,000 with a net premium of $5,012,597. Proceeds from the sale of the Certificates will be used for (i) constructing improvements and extensions to the City's combined waterworks and sewer system and water re-use system consisting of transmission lines, pump stations and ground storage; (ii) construction of Northwest Community Park and (iii) to pay the costs associated with the issuance of the Certificates.

Additional information regarding the City's outstanding debt can be found in Note 8 beginning on page 69.

The City's assigned ratings for general obligation bonds and certificates of obligation bonds were as follows during FY 2024:

	Standard & Poor's Corporation	Moody's Investor Services
General Obligation Bonds	AAA	Aaa
Certificates of Obligation Bonds	AAA	Aaa

This rating has been assigned to the City's tax-supported debt. The City is permitted by state law and provisions to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The current ratio of general obligation debt to assessed value of all taxable property is 1.54%. In June 2024, the City's assigned ratings for general obligation bonds and certificates of obligation bonds were affirmed by Moody's at Aaa and by Standard & Poor's at AAA.

Authorized bonds remain unissued from the 2006, 2019, and the 2023 Election as outlined in the table below:

Authorized but Unissued Debt
September 30, 2024

	Voted Bonds	Issued Prior Years	Issued FY 2024	Unissued Balance	
Election May 13, 2006					
Branch Library (Prop. 5)	$ 8,000,000	$ —	$ —	$ 8,000,000	(1)
Senior Center (Prop. 7)	2,500,000	—	—	2,500,000	(1)
Grand Park (Prop.12)	22,500,000	22,500,000	—	—	
Remaining	33,000,000	22,500,000	—	10,500,000	
Election May 4, 2019					
Public Safety (Prop. A)	62,500,000	47,500,000	—	15,000,000	
Street Improvements (Prop. B)	155,000,000	155,000,000	—	—	
Parks, Trails and Rec Facilities (Prop. E)	53,500,000	35,700,000	2,500,000	15,300,000	
Remaining	271,000,000	238,200,000	2,500,000	30,300,000	
Election May 2, 2023					
Public Safety (Prop. A)	131,400,000	—	30,600,000	100,800,000	
Street Improvements (Prop. B)	240,000,000	30,800,000	39,180,000	170,020,000	
Parks/Administration/Logistics Operations Center (Prop. C)	39,000,000	—	4,000,000	35,000,000	
Parks, Trails and Rec Facilities (Prop. D)	43,000,000	5,000,000	4,000,000	34,000,000	
City Owned Parking Garage Downtown (Prop. E)	20,000,000	2,000,000	18,000,000	—	
Remaining	473,400,000	37,800,000	95,780,000	339,820,000	
Total Authorized/Unissued Bonds	$ 777,400,000	$ 298,500,000	$ 98,280,000	$ 380,620,000	

(1) These authorizations will not be issued

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's elected and appointed officials considered many factors when setting the fiscal year 2025 budget appropriation, tax rates, and fees that will be charged for the business-type activities.

Current economic indicators were considered when adopting the General Fund budget for FY 2025. The combined budget appropriation totaled $273.5 million. This represents an increase of $3.3 million from the FY 2024 revised budget.

The General Fund's largest revenue source is property tax receipts. Ad valorem tax revenue is determined by two major factors: the total assessed value established by the Central Appraisal District of Collin County and Central Appraisal District of Denton County, and the tax rate established by the Frisco City Council. For the new fiscal year, we saw gains in new improvements of 3.84%, and a gain on existing property of 1.62%. According to final figures received from the CADs, the total certified assessed taxable property value for FY 2025 is $48.9 billion. Council approved a tax rate of $0.425517 per $100 of valuation, a decrease from the FY 2024 tax rate of $0.432205. The homestead tax exemption for FY 2025 remained at 15%.

As for the City's business-type activities, City projections indicate that the water and sewer fund unrestricted net position will be approximately $115.7 million. A fee increase for water sales and sewer services was approved and effective in January 2025. Appropriations are to be used for capital projects in the utility construction projects fund, operating expenses, as well as bond interest and fiscal charges.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT STAFF

This financial report is designed to provide our residents, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Finance Department at 6101 Frisco Square Boulevard, 4th Floor Finance Office, Frisco, Texas 75034. The Finance Department also presents the *Citizen's Annual Financial Report*, a condensed version of the financial position presented in the ACFR, online at the City's website www.friscotexas.gov.

BASIC FINANCIAL STATEMENTS

FRISCO
PROGRESS IN MOTION

City of Frisco
Statement of Net Position
September 30, 2024

	Primary Government			
ASSETS	**Governmental Activities**	**Business-type Activities**	**Total**	**Component Units**
Cash and cash equivalents	$ 415,902,816	$ 68,065,750	$ 483,968,566	$ 90,352,325
Investments	274,726,208	55,079,832	329,806,040	64,227,222
Receivables (net of allowance for uncollectibles)	34,259,954	25,473,339	59,733,293	12,308,482
Leases receivables	4,218,132	—	4,218,132	47,911
PPP receivables	113,274,629	—	113,274,629	184,113
Inventories	4,620,560	2,159,621	6,780,181	—
Prepaids	5,365,480	80,279	5,445,759	80,489
Restricted assets:				
Cash and cash equivalents	94,353,686	57,567,041	151,920,727	43,823,601
Investments	29,410,234	39,515,006	68,925,240	1,800,000
Notes receivable - noncurrent	405,000	—	405,000	—
Land held for resale	—	—	—	60,162,836
Capital, lease, & subscription assets:				
Nondepreciable	550,501,535	94,945,055	645,446,590	89,386,163
Depreciable (net)	1,720,582,398	504,935,097	2,225,517,495	4,017,890
Total assets	3,247,620,632	847,821,020	4,095,441,652	366,391,032
DEFERRED OUTFLOWS OF RESOURCES				
Pension items	27,746,286	3,508,149	31,254,435	637,845
OPEB items	1,238,571	156,599	1,395,170	28,473
Deferred charge on bond refunding	5,702,281	1,122,505	6,824,786	36,349
Total deferred outflows of resources	34,687,138	4,787,253	39,474,391	702,667
LIABILITIES				
Accounts and retainage payable	45,644,754	8,616,033	54,260,787	4,164,874
Accrued liabilities	1,520,004	524,316	2,044,320	55,948
Accrued interest payable	5,020,210	3,268,668	8,288,878	301,579
Customer deposits	—	5,005,203	5,005,203	25,000
Unearned revenue	5,893,360	—	5,893,360	—
Monies held in escrow	21,128,355	27,116	21,155,471	—
Noncurrent liabilities:				
Due within one year:				
Compensated absences	10,558,751	1,367,452	11,926,203	144,908
Leases & subscriptions payable	1,784,768	23,081	1,807,849	8,285
Bonds and notes payable	59,425,000	13,250,000	72,675,000	6,110,000
Due in more than one year:				
Compensated absences	18,477,177	1,793,691	20,270,868	193,606
Pensions	49,607,290	6,272,186	55,879,476	1,140,397
OPEB	3,618,570	457,520	4,076,090	83,187
Pollution remediation obligations	—	—	—	34,721,342
Arbitrage rebates payable	8,243,186	1,868,930	10,112,116	—
Developer payable	17,329,682	—	17,329,682	—
Leases & subscriptions payable	2,512,201	9,728	2,521,929	10,013
Bonds and notes payable	928,176,286	158,581,194	1,086,757,480	66,165,827
Total liabilities	1,178,939,594	201,065,118	1,380,004,712	113,124,966
DEFERRED INFLOWS OF RESOURCES				
Pension items	1,354,970	171,317	1,526,287	31,149
OPEB items	3,134,233	396,283	3,530,516	72,050
Lease related	4,046,160	—	4,046,160	45,994
PPP related	112,442,168	—	112,442,168	178,487
Total deferred inflows of resources	120,977,531	567,600	121,545,131	327,680
NET POSITION				
Net investment in capital assets	1,719,006,495	493,028,421	2,212,034,916	32,011,984
Restricted for:				
Capital projects	100,873,059	28,299,111	129,172,170	—
Tax increment reinvestment zones	20,178,480	—	20,178,480	—
Other purposes	13,917,465	—	13,917,465	—
Debt service	5,825,623	—	5,825,623	—
Community development	—	—	—	105,908,245
Economic development	—	—	—	115,720,824
Unrestricted	122,589,523	129,648,023	252,237,546	—
Total net position	$ 1,982,390,645	$ 650,975,555	$ 2,633,366,200	$ 253,641,053

The notes to the basic financial statements are an integral part of this statement.

City of Frisco
Statement of Activities
For the Year Ended September 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	$ 113,278,014	$ 13,006,154	$ 597,259	$ 1,768,082
Public safety	129,266,692	12,513,927	4,152,370	310,812
Public works	74,720,050	112,984	117,607	71,726,425
Culture and recreation	57,101,287	7,411,249	3,325,664	10,190,717
Interest on long-term debt	36,018,232	—	—	—
Total governmental activities	410,384,275	33,044,314	8,192,900	83,996,036
Business-type activities:				
Water and sewer	143,458,432	152,091,454	3,934	49,013,828
Stormwater drainage	3,590,847	6,071,832	16,377	358,685
Environmental services	26,312,652	29,940,987	—	—
Total business-type activities	173,361,931	188,104,273	20,311	49,372,513
Total primary government	$ 583,746,206	$ 221,148,587	$ 8,213,211	$ 133,368,549
Component units:				
Community development	$ 32,211,861	$ 969,971	$ —	$ —
Economic development	19,784,598	46,209	78,744	—
Charitable foundation	1,350	—	1,500	—
Total component units	$ 51,997,809	$ 1,016,180	$ 80,244	$ —

General revenues:	
Ad valorem taxes	
Sales taxes	
Franchise taxes	
Other taxes	
Ad valorem tax for TIRZ funds, intergovernmental revenues	
Investment earnings	
Transfers	
Total general revenues and transfers	
Change in net position	
Net position, beginning	
Net position, ending	

The notes to the basic financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
$ (97,906,519)	$ —	$ (97,906,519)	
(112,289,583)	—	(112,289,583)	
(2,763,034)	—	(2,763,034)	
(36,173,657)	—	(36,173,657)	
(36,018,232)	—	(36,018,232)	
(285,151,025)	—	(285,151,025)	
—	57,650,784	57,650,784	
—	2,856,047	2,856,047	
—	3,628,335	3,628,335	
—	64,135,166	64,135,166	
(285,151,025)	64,135,166	(221,015,859)	
			$ (31,241,890)
			(19,659,645)
			150
			(50,901,385)
203,270,427	—	203,270,427	—
69,858,143	—	69,858,143	69,858,144
12,971,305	—	12,971,305	—
15,061,554	—	15,061,554	—
49,284,634	2,136,996	51,421,630	5,196,573
42,774,755	11,109,390	53,884,145	10,221,171
3,473,700	(3,473,700)	—	—
396,694,518	9,772,686	406,467,204	85,275,888
111,543,493	73,907,852	185,451,345	34,374,503
1,870,847,152	577,067,703	2,447,914,855	219,266,550
$ 1,982,390,645	$ 650,975,555	$ 2,633,366,200	$ 253,641,053

City of Frisco

Balance Sheet
Governmental Funds
September 30, 2024

	General	TIRZ #1	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 78,280,709	$ 16,200,175	$ 332,964,349	$ 10,088,867	$ 72,722,402	$ 510,256,502
Investments	121,038,281	—	153,687,927	—	29,410,234	304,136,442
Receivables (net of allowance for uncollectibles):						
Property taxes	1,464,423	—	—	772,633	—	2,237,056
Sales taxes	11,838,242	—	—	—	—	11,838,242
Franchise taxes	7,110,633	—	—	—	40,293	7,150,926
Occupancy tax	—	—	—	—	1,286,761	1,286,761
Grants	—	—	7,247,416	—	301,488	7,548,904
Leases receivables	2,735,372	1,220,069	—	—	262,691	4,218,132
PPP receivables	—	113,274,629	—	—	—	113,274,629
Other	1,921,913	662,829	1,410,818	—	202,505	4,198,065
Due from other funds	—	—	78,417	—	—	78,417
Inventories	4,620,560	—	—	—	—	4,620,560
Prepaids	2,284,967	—	2,445,682	—	634,831	5,365,480
Notes receivable	32,000	—	373,000	—	—	405,000
Total assets	$ 231,327,100	$ 131,357,702	$ 498,207,609	$ 10,861,500	$ 104,861,205	$ 976,615,116
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts payable	20,797,421	6,352	16,263,760	59,693	4,899,068	42,026,294
Retainage payable	87,941	—	3,530,519	—	—	3,618,460
Accrued liabilities	1,468,857	—	—	—	51,147	1,520,004
Unearned revenue	1,028,558	—	—	—	4,864,802	5,893,360
Monies held in escrow	84,258	472,385	12,033,328	—	8,538,384	21,128,355
Due to other funds	—	—	—	—	78,417	78,417
Total liabilities	23,467,035	478,737	31,827,607	59,693	18,431,818	74,264,890
Deferred inflows of resources:						
Unavailable revenue	7,427,327	—	373,000	786,625	—	8,586,952
Leases related	2,572,728	1,217,098	—	—	256,334	4,046,160
PPP related	—	112,442,168	—	—	—	112,442,168
Total deferred inflows of resources	10,000,055	113,659,266	373,000	786,625	256,334	125,075,280
FUND BALANCES						
Nonspendable	7,068,171	835,432	2,445,682	—	641,188	10,990,473
Restricted for:						
Debt service	—	—	—	10,015,182	—	10,015,182
Capital projects for future construction:						
Roads & traffic systems	—	—	222,509,434	—	29,618,845	252,128,279
Facilities	—	—	171,517,688	—	—	171,517,688
Parks	—	—	69,534,198	—	38,992,748	108,526,946
Special revenue for future commitments:						
Tax increment reinvestment zones	—	16,384,267	—	—	2,958,781	19,343,048
Hotel/motel	—	—	—	—	12,114,435	12,114,435
Traffic control enforcement	—	—	—	—	19,225	19,225
Court fees	—	—	—	—	159,131	159,131
PEG Cable	—	—	—	—	1,668,700	1,668,700
Committed to:						
Insurance	25,975,816	—	—	—	—	25,975,816
Workforce housing	301,381	—	—	—	—	301,381
Capital projects for future construction	24,909,269	—	—	—	—	24,909,269
Assigned to:						
Equipment and deferred maintenance	20,000,000	—	—	—	—	20,000,000
Infrastructure	20,000,000	—	—	—	—	20,000,000
Unassigned	99,605,373	—	—	—	—	99,605,373
Total fund balances	197,860,010	17,219,699	466,007,002	10,015,182	86,173,053	777,274,946
Total liabilities, deferred inflows of resources, and fund balances	$ 231,327,100	$ 131,357,702	$ 498,207,609	$ 10,861,500	$ 104,861,205	$ 976,615,116

The notes to the basic financial statements are an integral part of this statement.

City of Frisco

Reconciliation of the Balance Sheet of the
Governmental Funds to the Statement of Net Position
September 30, 2024

Total fund balances per balance sheet	$ 777,274,946
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported at the fund level.	2,271,083,933
Deferred outflows of resources related to pensions, OPEB and deferred amounts on bond refundings are not financial resources and, therefore, are not reported at the fund level.	34,687,138
Other long-term assets are not available to pay for current-period expenditures, and, therefore, are unavailable at the fund level.	8,586,952
Long-term liabilities, including bonds payable, leases and SBITA payable, pension liabilities, OPEB, compensated absences, and accrued interest payable are not due and payable in the current period and, therefore, are not reported at the fund level.	(1,104,753,121)
Deferred inflows of resources related to pensions and OPEB are not liabilities and do not require current financial resources, therefore, are not reported at the fund level.	(4,489,203)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 1,982,390,645

The notes to the basic financial statements are an integral part of this statement.

City of Frisco

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2024

	General	TIRZ #1	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Property	$126,631,589	$ 11,256,611	$ —	$ 62,170,084	$ 2,222,930	$ 202,281,214
Sales	69,374,340	—	—	—	483,803	69,858,143
Franchise	13,326,042	—	—	—	177,302	13,503,344
Hotel/motel	—	—	—	—	12,959,430	12,959,430
Other	2,102,124	—	—	—	—	2,102,124
Licenses and permits	8,612,363	—	—	—	—	8,612,363
Intergovernmental	3,681,499	28,555,771	513,079	—	3,246,597	35,996,946
Charges for services	12,527,078	—	906,150	—	—	13,433,228
Fines	2,234,477	—	—	—	168,677	2,403,154
Special assessments	—	—	—	—	14,323,108	14,323,108
Rents	2,745,442	3,337,558	—	—	5,996	6,088,996
Investment earnings	12,719,088	1,690,540	22,546,222	1,161,988	4,657,620	42,775,458
Contributions, donations and grants	172,788	27,900	20,557,058	—	3,135,607	23,893,353
Payments from component units	3,198,644	4,420,327	8,240,635	4,647,552	204,495	20,711,653
Miscellaneous	1,453,866	410,292	—	—	93,026	1,957,184
Total revenues	258,779,340	49,698,999	52,763,144	67,979,624	41,678,591	470,899,698
EXPENDITURES						
Current:						
General government	62,115,670	27,100,215	—	—	391,399	89,607,284
Public safety	118,090,596	—	—	—	1,006,073	119,096,669
Public works	16,804,931	—	—	—	2,200	16,807,131
Culture and recreation	30,025,507	—	—	—	11,839,623	41,865,130
Capital outlay (includes $5,505,775 not capitalized)	16,917,229	—	178,885,192	—	1,597,358	197,399,779
Debt service:						
Principal retirement	1,671,349	—	—	55,770,000	264,100	57,705,449
Interest and fiscal charges	58,158	—	3,318,485	33,660,097	111	37,036,851
Total expenditures	245,683,440	27,100,215	182,203,677	89,430,097	15,100,864	559,518,293
Excess (Deficiency) of revenues over (under) expenditures	13,095,900	22,598,784	(129,440,533)	(21,450,473)	26,577,727	(88,618,595)
OTHER FINANCING SOURCES (USES)						
Issuance of debt	—	—	127,850,000	—	—	127,850,000
Issuance of refunding debt	—	—	—	11,190,000	—	11,190,000
Premium on bonds issued	—	—	11,701,285	1,045,728	—	12,747,013
Discount on bonds issued	—	—	(249,778)	—	—	(249,778)
Payment to refunded debt escrow agent	—	—	—	(12,435,273)	—	(12,435,273)
Lease financing	86,846	—	—	—	3,784	90,630
SBITA financing	3,405,864	—	—	—	1,085,731	4,491,595
Proceeds from sale of assets	551,535	—	—	—	—	551,535
Transfers in	6,424,527	535,036	16,449,649	24,718,850	2,629,814	50,757,876
Transfers out	(437,227)	(18,085,429)	(5,782,085)	—	(22,979,435)	(47,284,176)
Total other financing sources and uses	10,031,545	(17,550,393)	149,969,071	24,519,305	(19,260,106)	147,709,422
Net change in fund balances	23,127,445	5,048,391	20,528,538	3,068,832	7,317,621	59,090,827
Fund balances, beginning	174,732,565	12,171,308	445,478,464	6,946,350	78,855,432	718,184,119
Fund balances, ending	$197,860,010	$ 17,219,699	$466,007,002	$ 10,015,182	$ 86,173,053	$ 777,274,946

The notes to the basic financial statements are an integral part of this statement.

City of Frisco

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2024

Net change in fund balances - total governmental funds	$ 59,090,827
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay and developer's contributions exceeded depreciation in the current period.	139,484,410
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	466,493
The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(78,300,742)
Some expenses and revenues reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in governmental funds. Current year pension and OPEB expenditures are reported on the fiscal year basis on the governmental statement of revenues, expenditures and changes in fund balances and as actuarially determined in the government-wide statement of activities.	(9,197,495)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 111,543,493

The notes to the basic financial statements are an integral part of this statement.

City of Frisco

General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual on a GAAP Basis	Adjustments-Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUES						
Taxes:						
Property	$ 125,276,622	$ 125,276,623	$ 126,631,589	$ —	$ 126,631,589	$ 1,354,966
Sales	72,711,737	70,302,752	69,374,340	—	69,374,340	(928,412)
Franchise	12,301,520	12,301,520	13,326,042	—	13,326,042	1,024,522
Other	1,312,772	1,312,772	2,102,124	—	2,102,124	789,352
Licenses and permits	12,687,153	9,986,851	8,612,363	—	8,612,363	(1,374,488)
Intergovernmental	3,401,420	3,375,130	3,681,499	—	3,681,499	306,369
Charges for services	10,526,869	10,529,868	12,527,078	—	12,527,078	1,997,210
Fines	1,590,816	1,824,417	2,234,477	—	2,234,477	410,060
Rents	3,215,520	3,215,520	2,745,442	—	2,745,442	(470,078)
Investment earnings	5,848,380	9,494,070	12,719,088	—	12,719,088	3,225,018
Contributions, donations and grants	243,955	245,245	172,788	—	172,788	(72,457)
Payments from component units	3,198,644	3,198,644	3,198,644	—	3,198,644	—
Miscellaneous	1,830,636	1,594,036	1,453,866	—	1,453,866	(140,170)
Total revenues	254,146,044	252,657,448	258,779,340	—	258,779,340	6,121,892
EXPENDITURES						
Current:						
General government	72,696,806	73,024,847	62,115,670	636,360	62,752,030	10,272,817
Public safety	125,668,389	124,008,521	118,090,596	(159,914)	117,930,682	6,077,839
Public works	21,248,355	20,785,471	16,804,931	107,586	16,912,517	3,872,954
Culture and recreation	31,747,946	32,841,633	30,025,507	68,916	30,094,423	2,747,210
Capital outlay	17,626,405	19,588,509	16,917,229	1,552,028	18,469,257	1,119,252
Debt service:						
Principal retirement	—	—	1,671,349	—	1,671,349	(1,671,349)
Interest and fiscal charges	—	—	58,158	—	58,158	(58,158)
Total expenditures	268,987,901	270,248,981	245,683,440	2,204,976	247,888,416	22,360,565
Excess (Deficiency) of revenues over (under) expenditures	(14,841,857)	(17,591,533)	13,095,900	(2,204,976)	10,890,924	28,482,457
OTHER FINANCING SOURCES (USES)						
Lease financing	—	—	86,846	—	86,846	86,846
SBITA financing	—	—	3,405,864	—	3,405,864	3,405,864
Proceeds from sale of assets	—	—	551,535	—	551,535	551,535
Transfers in	6,103,896	6,103,896	6,424,527	—	6,424,527	320,631
Transfers out	(300,000)	(300,000)	(437,227)	—	(437,227)	(137,227)
Total other financing sources and uses	5,803,896	5,803,896	10,031,545	—	10,031,545	4,227,649
Net change in fund balances	(9,037,961)	(11,787,637)	23,127,445	(2,204,976)	20,922,469	32,710,106
Fund balances, beginning	148,903,700	174,732,563	174,732,565	(4,737,273)	169,995,292	(4,737,271)
Fund balances, ending	$ 139,865,739	$ 162,944,926	$ 197,860,010	$ (6,942,249)	$ 190,917,761	$ 27,972,835

Adjustments to Revenues, Expenditures and Other Financing Sources and Uses from GAAP Basis to Budgetary Basis
For Fiscal Year Ended September 30, 2024

	Net Change in Fund Balance
GAAP basis	$ 23,127,445
Expenditures:	
Increase due to encumbrances from prior year	4,737,273
Decrease due to encumbrances for current year	(6,942,249)
Budgetary basis	$ 20,922,469

The notes to the basic financial statements are an integral part of this statement.

City of Frisco

TIRZ #1 Fund Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual on a GAAP Basis	Adjustments-Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUES						
Taxes:						
Property	11,364,092	11,256,611	11,256,611	—	11,256,611	—
Intergovernmental	33,401,000	28,555,771	28,555,771	—	28,555,771	—
Rents	3,971,386	3,971,386	3,337,558	—	3,337,558	(633,828)
Investment earnings	300,000	937,339	1,690,540	—	1,690,540	753,201
Contributions, donations and grants	—	—	27,900	—	27,900	27,900
Payments from component units	4,420,327	4,420,327	4,420,327	—	4,420,327	—
Miscellaneous	—	—	410,292	—	410,292	410,292
Total revenues	53,456,805	49,141,434	49,698,999	—	49,698,999	557,565
EXPENDITURES						
Current:						
General government	32,908,418	28,273,466	27,100,215	—	27,100,215	1,173,251
Total expenditures	32,908,418	28,273,466	27,100,215	—	27,100,215	1,173,251
Excess of revenues over expenditures	20,548,387	20,867,968	22,598,784	—	22,598,784	1,730,816
OTHER FINANCING SOURCES (USES)						
Transfers in	535,036	535,036	535,036	—	535,036	—
Transfers out	(19,085,429)	(18,085,429)	(18,085,429)	—	(18,085,429)	—
Total other financing sources and uses	(18,550,393)	(17,550,393)	(17,550,393)	—	(17,550,393)	—
Net change in fund balances	1,997,994	3,317,575	5,048,391	—	5,048,391	1,730,816
Fund balances, beginning	9,087,094	12,171,308	12,171,308	—	12,171,308	—
Fund balances, ending	$ 11,085,088	$ 15,488,883	$ 17,219,699	$ —	$ 17,219,699	$ 1,730,816

The notes to the basic financial statements are an integral part of this statement.

City of Frisco
Statement of Net Position
Proprietary Funds
September 30, 2024

	Business-type Activities Enterprise Funds		
	Water and Sewer	Other Enterprise Funds	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	$ 52,728,725	$ 15,337,025	$ 68,065,750
Investments	54,593,608	486,224	55,079,832
Receivables: (net of allowances for uncollectibles)			
Utility bills	23,755,922	—	23,755,922
Grants	389,780	16,376	406,156
Other	1,176,936	134,325	1,311,261
Inventories	2,159,621	—	2,159,621
Prepaids	80,279	—	80,279
Restricted cash and cash equivalents	57,567,041	—	57,567,041
Restricted investments	39,515,006	—	39,515,006
Total current assets	231,966,918	15,973,950	247,940,868
Noncurrent assets:			
Capital and lease assets:			
Land	11,869,818	—	11,869,818
Buildings and improvements	19,392,145	147,742	19,539,887
Improvements other than buildings	773,462,083	92,190	773,554,273
Machinery and equipment	13,464,439	2,792,763	16,257,202
Right-to-use leased equipment	96,504	—	96,504
Right-to-use SBITA	208,416	—	208,416
Construction-in-progress	83,075,237	—	83,075,237
Accumulated depreciation/amortization	(302,586,176)	(2,135,009)	(304,721,185)
Total capital and lease assets (net of accumulated depreciation and amortization)	598,982,466	897,686	599,880,152
Total noncurrent assets	598,982,466	897,686	599,880,152
Total assets	830,949,384	16,871,636	847,821,020
DEFERRED OUTFLOWS OF RESOURCES			
Pension items	2,870,305	637,844	3,508,149
OPEB items	128,129	28,470	156,599
Deferred charge on bond refunding	1,122,505	—	1,122,505
Total deferred outflows of resources	4,120,939	666,314	4,787,253

The notes to the basic financial statements are an integral part of this statement.

	Business-type Activities Enterprise Funds		
	Water and Sewer	Other Enterprise Funds	Totals
LIABILITIES			
Current liabilities:			
Accounts payable	$ 7,125,616	$ 1,490,417	$ 8,616,033
Accrued liabilities	426,749	97,567	524,316
Accrued interest payable	3,268,668	—	3,268,668
Customer deposits payable	5,005,203	—	5,005,203
Monies held in escrow	—	27,116	27,116
Compensated absences	1,077,071	290,381	1,367,452
Leases & SBITA payable	23,081	—	23,081
Bonds payable	13,250,000	—	13,250,000
Total current liabilities	30,176,388	1,905,481	32,081,869
Noncurrent liabilities:			
Compensated absences	1,442,208	351,483	1,793,691
Pensions	5,131,788	1,140,398	6,272,186
OPEB	374,336	83,184	457,520
Arbitrage rebates payable	1,868,930	—	1,868,930
Leases payable	9,728	—	9,728
Bonds payable	158,581,194	—	158,581,194
Total noncurrent liabilities	167,408,184	1,575,065	168,983,249
Total liabilities	197,584,572	3,480,546	201,065,118
DEFERRED INFLOWS OF RESOURCES			
Pension items	140,169	31,148	171,317
OPEB items	324,231	72,052	396,283
Total deferred inflows of resources	464,400	103,200	567,600
NET POSITION			
Net investment in capital assets	492,130,735	897,686	493,028,421
Restricted for:			
Capital projects	28,299,111	—	28,299,111
Unrestricted	116,591,505	13,056,518	129,648,023
Total net position	$ 637,021,351	$ 13,954,204	$ 650,975,555

FRISCO
PROGRESS IN MOTION

City of Frisco

Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended September 30, 2024

	Business-type Activities Enterprise Funds		
	Water and Sewer	Other Enterprise Funds	Totals
OPERATING REVENUES			
Charges for sales and services:			
Water	$ 88,009,400	$ —	$ 88,009,400
Sewer charges	58,059,373	—	58,059,373
Service charges	1,729,345	—	1,729,345
Sanitation charges	—	29,867,370	29,867,370
Water and sewer connections	1,311,480	—	1,311,480
Inspection fees	2,703,341	—	2,703,341
Stormwater drainage fees	—	6,057,933	6,057,933
Miscellaneous	72,861	71,372	144,233
Total operating revenues	151,885,800	35,996,675	187,882,475
OPERATING EXPENSES			
Cost of sales and services	83,237,536	21,565,663	104,803,199
Administration	31,941,697	8,100,849	40,042,546
Depreciation/amortization	23,200,317	236,987	23,437,304
Total operating expenses	138,379,550	29,903,499	168,283,049
Operating income	13,506,250	6,093,176	19,599,426
NONOPERATING REVENUES (EXPENSES)			
Interest revenue	10,536,273	573,117	11,109,390
Contributions and grants	3,934	16,377	20,311
Gain on sale of equipment	205,654	16,144	221,798
Interest expense	(5,078,882)	—	(5,078,882)
Total nonoperating revenues	5,666,979	605,638	6,272,617
Income before capital contributions	19,173,229	6,698,814	25,872,043
CAPITAL CONTRIBUTIONS			
Grant and Intergovernmental contributions	3,166,091	358,685	3,524,776
Developer contributions	47,984,733	—	47,984,733
Total capital contributions	51,150,824	358,685	51,509,509
Income before transfers	70,324,053	7,057,499	77,381,552
TRANSFERS			
Transfers in	3,988,422	—	3,988,422
Transfers out	(4,675,658)	(2,786,464)	(7,462,122)
Total transfers	(687,236)	(2,786,464)	(3,473,700)
Change in net position	69,636,817	4,271,035	73,907,852
Net position, beginning	567,384,534	9,683,169	577,067,703
Net position, ending	$ 637,021,351	$ 13,954,204	$ 650,975,555

The notes to the basic financial statements are an integral part of this statement.

City of Frisco
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2024

	Business-type Activities Enterprise Funds		
	Water and Sewer	Other Enterprise Funds	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 149,044,501	$ 35,908,927	$ 184,953,428
Cash payments to suppliers for goods and services	(93,510,261)	(26,177,590)	(119,687,851)
Cash payments to employees for services	(17,345,230)	(4,233,721)	(21,578,951)
Other receipts	72,861	71,372	144,233
Net cash provided by operating activities	38,261,871	5,568,988	43,830,859
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers received from other funds	3,988,422	—	3,988,422
Transfers made to other funds	(4,675,658)	(1,682,118)	(6,357,776)
Contributions	3,934	16,377	20,311
Net cash used by noncapital financing activities	(683,302)	(1,665,741)	(2,349,043)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(66,259,124)	(248,769)	(66,507,893)
Proceeds from sale or transfer of equipment	205,654	27,399	233,053
Principal paid on long-term debt	(13,195,000)	—	(13,195,000)
Interest and fees paid on long-term debt	(5,995,373)	—	(5,995,373)
Bond proceeds net of issuance costs	20,228,216	—	20,228,216
Payment to paying agent for refunded debt issuance	(169,380)	—	(169,380)
Intergovernmental payments for grant and capital construction	2,776,311	358,685	3,134,996
Transfers made to other funds for capital construction	—	(1,104,346)	(1,104,346)
Developers contributions	5,983,183	—	5,983,183
Net cash used by capital and related financing activities	(56,425,513)	(967,031)	(57,392,544)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investment securities	(97,697,439)	(482,961)	(98,180,400)
Proceeds from sale and maturities of investment securities	119,038,731	483,155	119,521,886
Interest on investments	9,818,687	569,020	10,387,707
Net cash provided by investing activities	31,159,979	569,214	31,729,193
Net increase in cash and cash equivalents	12,313,035	3,505,430	15,818,465
Cash and cash equivalents, beginning	97,982,731	11,831,595	109,814,326
Cash and cash equivalents, ending	$ 110,295,766	$ 15,337,025	$ 125,632,791
CLASSIFIED AS			
Current assets	$ 52,728,725	$ 15,337,025	$ 68,065,750
Restricted assets	57,567,041	—	57,567,041
Total cash and cash equivalents	$ 110,295,766	$ 15,337,025	$ 125,632,791

The notes to the basic financial statements are an integral part of this statement.

	Business-type Activities Enterprise Funds		
	Water and Sewer	Other Enterprise Funds	Totals
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	$ 13,506,250	$ 6,093,176	$ 19,599,426
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation/amortization	23,200,317	236,987	23,437,304
Change in assets and liabilities:			
(Increase) decrease in-			
Receivables - utility bills	(2,623,809)	(16,376)	(2,640,185)
Receivables - other	1,301,282	(94,367)	1,206,915
Prepaid expenses and other assets	3,775	—	3,775
Inventories	220,410	—	220,410
Arbitrage rebate expense	1,525,385	—	1,525,385
Pension deferred outflow of resources	916,586	203,688	1,120,274
OPEB deferred outflow of resources	(9,864)	(2,188)	(12,052)
Increase (decrease) in-			
Accounts payable	813,891	(750,338)	63,553
Accrued liabilities	160,315	30,705	191,020
Liability for compensated absences	234,777	54,999	289,776
Pension deferred inflow of resources	(43,673)	(9,708)	(53,381)
OPEB deferred inflow of resources	(76,468)	(16,994)	(93,462)
Net pension liability	(781,281)	(173,618)	(954,899)
OPEB liability	58,606	13,022	71,628
Deposits and escrows	(144,628)	—	(144,628)
Total adjustments	24,755,621	(524,188)	24,231,433
Net cash provided by operating activities	$ 38,261,871	$ 5,568,988	$ 43,830,859

SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

During the year, various developers made noncash contributions of water and sewer infrastructure to the City valued at $42,001,550.

Accounts Payable and Retainage Payable related to capital assets totaled $5,608,812.

In August 2024, general obligation bonds were issued for the water and sewer fund to refund debt issued in 2014. The new debt of $7,725,000 defeased $8,445,000 of outstanding principal and related premiums and deferred costs.

Unrealized investment gains as of September 30, 2024 was $398,946.

The notes to the basic financial statements are an integral part of this statement.

FRISCO
PROGRESS IN MOTION

City of Frisco
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2024

	Tourism PID Custodial Fund
ASSETS	
Cash and cash equivalents	$ 243,724
Total assets	243,724
LIABILITIES	
TPID payable	243,724
Total liabilities	243,724
NET POSITION	
Net position restricted for custodial funds	—
Total net position	$ —

City of Frisco
Statement of Revenues, Expenses, and Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended September 30, 2024

	Tourism PID Custodial Fund
ADDITIONS	
Tourism PID occupancy tax collections	$ 3,569,245
Total additions	3,569,245
DEDUCTIONS	
Tourism PID occupancy tax remittances	3,569,245
Total deductions	3,569,245
Change in net position	—
Net position, beginning	—
Net positions, ending	$ —

The notes to the basic financial statements are an integral part of this statement.

FRISCO
PROGRESS IN MOTION

City of Frisco
Combining Statement of Net Position
Component Units
September 30, 2024

	Community Development Corporation	Economic Development Corporation	Charitable Foundation	Totals
ASSETS				
Current:				
Cash and cash equivalents	$ 43,903,734	$ 46,399,353	$ 49,238	$ 90,352,325
Investments	29,618,110	34,609,112	—	64,227,222
Receivables:				
Sales tax	5,919,121	5,919,121	—	11,838,242
Leases receivables	4,485	43,426	—	47,911
PPP receivables	184,113	—	—	184,113
Other	252,484	217,756	—	470,240
Prepaid expenses	—	80,489	—	80,489
Total current assets	79,882,047	87,269,257	49,238	167,200,542
Noncurrent:				
Land held for resale	24,111,115	36,051,721	—	60,162,836
Capital and lease assets:				
Nondepreciable	71,518,747	17,867,416	—	89,386,163
Depreciable (net)	2,137,246	1,880,644	—	4,017,890
Restricted assets:				
Cash and cash equivalents	41,376,261	2,447,340	—	43,823,601
Investments	—	1,800,000	—	1,800,000
Total noncurrent assets	139,143,369	60,047,121	—	199,190,490
Total assets	219,025,416	147,316,378	49,238	366,391,032
DEFERRED OUTFLOWS OF RESOURCES				
Pension items	—	637,845	—	637,845
OPEB items	—	28,473	—	28,473
Deferred charge on bond refunding	18,697	17,652	—	36,349
Total deferred outflows of resources	18,697	683,970	—	702,667
LIABILITIES				
Current:				
Accounts payable	1,949,944	2,212,990	1,940	4,164,874
Accrued liabilities	2,569	53,379	—	55,948
Compensated absences	10,255	134,653	—	144,908
Accrued interest payable	194,531	107,048	—	301,579
Deposits payable	—	25,000	—	25,000
Leases payable	—	8,285	—	8,285
Bonds and notes payable	3,340,000	2,770,000	—	6,110,000
Total current liabilities:	5,497,299	5,311,355	1,940	10,810,594
Noncurrent:				
Compensated absences	19,591	174,015	—	193,606
Pensions	—	1,140,397	—	1,140,397
OPEB	—	83,187	—	83,187
Pollution remediation obligations	34,721,342	—	—	34,721,342
Leases payable	—	10,013	—	10,013
Bonds and notes payable	40,750,827	25,415,000	—	66,165,827
Total noncurrent liabilities	75,491,760	26,822,612	—	102,314,372
Total liabilities	80,989,059	32,133,967	1,940	113,124,966
DEFERRED INFLOWS OF RESOURCES				
Pension items	—	31,149	—	31,149
OPEB items	—	72,050	—	72,050
Lease related	3,636	42,358	—	45,994
PPP related	178,487	—	—	178,487
Total deferred inflows of resources	182,123	145,557	—	327,680
NET POSITION				
Net investment in capital assets	32,011,984	—	—	32,011,984
Restricted for community development	105,860,947	—	47,298	105,908,245
Restricted for economic development	—	115,720,824	—	115,720,824
Total net position	$ 137,872,931	$ 115,720,824	$ 47,298	$ 253,641,053

The notes to the basic financial statements are an integral part of this statement.

City of Frisco
Combining Statement of Activities
Component Units
For the Year Ended September 30, 2024

Functions/Programs:	Expenses	Program Revenues: Charges for Service	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Component units:				
Community Development Corporation	$ 32,211,861	$ 969,971	$ —	$ —
Economic Development Corporation	19,784,598	46,209	78,744	—
Charitable Foundation	1,350	—	1,500	—
Total component units	51,997,809	1,016,180	80,244	—
General revenues:				
Sales taxes				
Intergovernmental				
Investment income				
Total general revenues				
Change in net position				
Net position, beginning				
Net position, ending				

The notes to the basic financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Component Units			
Community Development Corporation	Economic Development Corporation	Charitable Foundation	Totals
$ (31,241,890)	$ —	$ —	$ (31,241,890)
—	(19,659,645)	—	(19,659,645)
—	—	150	150
(31,241,890)	(19,659,645)	150	(50,901,385)
34,929,072	34,929,072	—	69,858,144
5,196,573	—	—	5,196,573
5,976,185	4,242,495	2,491	10,221,171
46,101,830	39,171,567	2,491	85,275,888
14,859,940	19,511,922	2,641	34,374,503
123,012,991	96,208,902	44,657	219,266,550
$ 137,872,931	$ 115,720,824	$ 47,298	$ 253,641,053

Note 1. Summary of Significant Accounting Policies

The City of Frisco, Texas (City) was originally incorporated in 1908 and chartered on April 4, 1987, and is a municipal corporation incorporated under provisions of H.B. 901 of the Texas Legislature. The City operates under a Council-Manager form of government and provides such services as authorized by its charter to advance the welfare, health, comfort, safety, and convenience of the City and its residents.

The financial statements of the City have been prepared to conform with accounting principles generally accepted in the United States of America (GAAP) as applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting and reporting policies and practices used by the City are described below.

A. Financial Statement Presentation

The basic financial statements are prepared in conformity with GASB Statement No. 34, which requires government-wide financial statements to be prepared using the accrual basis of accounting and the economic resources measurement focus. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities, business-type activities and activities of its discretely presented component units on the statement of net position and statement of activities. Significantly, the City's statement of net position includes both noncurrent assets and noncurrent liabilities of the City. The government-wide statement of activities reflects depreciation expense on the City's capital assets, including infrastructure.

In addition to the government-wide financial statements, the City has prepared fund financial statements. Governmental fund financial statements use the modified accrual basis of accounting and the current financial resources measurement focus. The proprietary and fiduciary fund types financial statements are prepared using the accrual basis of accounting. Statement No. 34 requires supplementary information in Management's Discussion and Analysis, which includes an analytical overview of the City's financial activities. Also, a budgetary comparison statement is presented that compares the adopted and revised budgets for the General Fund and its major special revenue fund (TIRZ #1) with actual results.

B. Reporting Entity

The City is governed by an elected mayor and a six-member council. As required by GAAP, these financial statements present the City (the primary government) and the entities for which the City is considered to be financially accountable (component units). Blended component units, although legally separate entities, are, in substance, part of the City's operations and data from these units are combined with data of the primary government. Discretely presented component units are reported in a separate column in the basic financial statements in order to emphasize that they are legally separate from the City.

The City established Tax Increment Reinvestment Zone #1 (TIRZ #1) for the purpose of dedicating the incremental tax revenue generated from the zone to finance public facilities and infrastructure development such as public roads, signalization, hike/bike trails, water and sewer system improvements, and community enhancements in and around the revenue generating portion of TIRZ #1. TIRZ #1 is 3,572 acres and includes major development areas such as Stonebriar Mall, The Star's multi-use event center, and the PGA Frisco golf courses. The City and City's management maintain

significant influence and management responsibility in the approval of programs, expenditures, and obligations of TIRZ #1. The TIRZ board of directors is a 9 member board; 7 members of the board of directors are members of the City Council with the remaining appointed by the remaining participating entities of TIRZ #1, Frisco Independent School District, and Collin County Community College District. TIRZ #1 does not issue separate financial statements, as it is included as a major fund of the City. TIRZ #1 is presented as a blended component unit.

Reinvestment Zone #5 (TIRZ #5) was established for the purpose of dedicating the incremental tax revenue generated from the zone for use on public facilities and infrastructure development completed within the zone. TIRZ #5 is 66 acres and consists of The Star's retail/commercial development. The City and City's management maintain significant influence and management responsibility in the approval of programs, expenditures, and obligations of TIRZ #5. TIRZ #5's board of directors are members of the City Council and it does not issue separate financial statements as it is included as a non-major fund of the City. TIRZ #5 is presented as a blended component unit.

Reinvestment Zone #6 (TIRZ #6) was established for the purpose of dedicating the incremental tax revenue generated from the zone for use on public facilities and infrastructure development completed within the zone. TIRZ #6 is 175 acres and consists of area commonly known as Hall Park. The City and City's management maintain significant influence and management responsibility in the approval of programs, expenditures, and obligations of TIRZ #6. TIRZ #6's board of directors are members of the City Council and it does not issue separate financial statements as it is included as a non-major fund of the City. TIRZ #6 is presented as a blended component unit.

Reinvestment Zone #7 (TIRZ #7) was established for the purpose of dedicating the incremental tax revenue generated from the zone for use on public facilities and infrastructure development completed within the zone. TIRZ #7 is 890 acres and consists of area commonly known as The Fields development. The City and City's management maintain significant influence and management responsibility in the approval of programs, expenditures, and obligations of TIRZ #7. TIRZ #7's board of directors are members of the City Council and it does not issue separate financial statements as it is included as a non-major fund of the City. TIRZ #7 is presented as a blended component unit.

Panther Creek Public Improvement District #1 was established by the City for the purpose of enhancing the amenities and expediting the timing of their installation for the Panther Creek neighborhood. Enhanced landscape, additional open space, lakes, fountains, improved city parks, shade structures, distinctive entries and various recreational and pedestrian improvements were financed through City bonds and lots within the district were assessed $2,497 per lot to be repaid by the homeowners. The City and City's management maintain significant influence and management responsibility in the approval of programs, expenditures, and obligations of PID #1. PID #1's board of directors are members of the City Council and it does not issue separate financial statements as it is included as a non-major fund of the City and reported in the same Special Revenue Fund as PID #2. PID #1 is presented as a blended component unit.

Panther Creek Public Improvement District #2 was established by the City for the purpose of enhancing the amenities and expediting the timing of their installation for the Panther Creek neighborhood. Enhanced landscape, additional open space, lakes, fountains, improved city parks, shade structures, distinctive entries and various recreational and pedestrian improvements were financed through City bonds and lots within the district were assessed $3,014 per lot to be repaid by the homeowners. The City and City's management maintain significant influence and management responsibility in the approval of programs, expenditures, and obligations of PID #2. PID #2's board of directors are members of the City Council and it does not issue separate financial statements as it is included as a

non-major fund of the City and reported in the same Special Revenue Fund as PID #1. PID #2 is presented as a blended component unit.

The Frisco Economic Development Corporation (FEDC) serves all citizens of the City. Although legally separate from the City, the City Council appoints all members of its governing board. The FEDC provides marketing and economic development services to the City, and the City provides for custody and investment of FEDC assets, various administrative/personnel/legal services, and the majority of funding for the FEDC budget. The FEDC is presented as a discretely presented component unit.

The Frisco Community Development Corporation (FCDC) serves all citizens of the City. Although legally separate from the City, the City Council appoints all members of its governing board. The primary government can impose its will with the potential for financial benefit to the FCDC. The FCDC benefits the City and its citizens by developing resources to address recreational, cultural arts, senior citizen, and other related community development needs and the City provides for custody and investment of FCDC assets, various administrative services, and the majority of funding for the FCDC budget. The FCDC is presented as a discretely presented component unit.

The City of Frisco Charitable Foundation (CFCF) serves all citizens of the City. Although legally separate from the City, the City Council appoints all members of its governing board. The primary government can impose its will and the potential for financial benefit to the CFCF. The CFCF benefits the City and its citizens by developing resources to address recreational, cultural arts, senior citizen, and other related community development needs. The Foundation was established during fiscal year 2006 and is presented as a discretely presented component unit.

The FEDC, FCDC, and CFCF do not prepare separate financial statements. The financial statements of the City are formatted to allow the user to clearly distinguish between the primary government and its discretely presented component units.

C. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all activities of the primary government and its component units. For the most part, the effect of any interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of a functional category (General Government, Public Safety, Public Works, and Culture/Recreation) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment, and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The net cost (by function) is normally covered by general revenue (property taxes, sales taxes, franchise taxes, intergovernmental revenues, and interest income).

Separate fund-based financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of applicable fund category and for the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a separate column in the applicable fund financial statements.

The City's fiduciary funds are presented only in the fund financial statements. Since by definition these assets are being held for the benefit of a third-party (other local governments, individuals, pension participants, developer projects, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. The City's fiduciary funds consist a custodial funds related to the Tourism Public Improvement District.

D. Measurement Focus and Basis of Accounting

The government-wide financial statements, the proprietary fund statements, and the fiduciary fund statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues, other than taxes, are considered to be available when they are collectible within one year of the current period. Taxes are generally considered to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to pension, other postemployment benefits, compensated absences, lease liabilities and claims and judgments are recorded only when the obligation has matured and is due and payable shortly after year end.

GASB Interpretation 6 clarifies the application of modified accrual recognition of certain liabilities and expenditures in the governmental fund financial statements. Specifically, GASB Interpretation 6 indicates that liabilities for debt, compensated absences, lease liabilities, claims and judgments, and special termination benefits are normally expected to be liquidated with expendable available financial resources and should be recognized as governmental fund liabilities and expenditures only to the extent that they mature each period.

Ad valorem, franchise, sales tax revenues and fines and forfeitures recorded in the General Fund, ad valorem tax revenues recorded in the Debt Service Fund and Tax Increment Reinvestment Zone #1, rents in the TIRZ #1 fund, and charges for services in the Capital Projects fund are recognized under the susceptible to accrual concept. Licenses and permits, charges for services, contributions, and miscellaneous revenues are recorded as revenues when received in cash, as the resulting receivable is not measurable and available until cash is received. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. Intergovernmental grant revenues are recognized when all eligibility requirements have been met and amounts are received within one year of year end. Funds received in advance for which all eligibility requirements have not been met are considered unearned revenue. Receivables for which amounts are not considered available are considered deferred inflows of resources.

Proprietary fund statements of revenues, expenses, and changes in fund net position present increases (e.g., revenues) and decreases (e.g., expenses) in net position. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's Water and Sewer, Environmental Services and Stormwater funds are charges to customers for sales and services. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City of Frisco does not utilize internal service funds, which traditionally provide services primarily to other funds of the government.

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and business-type categories. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

The following are the funds used by the City:

1. Governmental Funds:
   The focus of Governmental Fund measurement (in the Fund Financial Statements) is upon determination of fund balances and changes in fund balances (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the Governmental Funds of the City:
   a. General Fund accounts for several of the City's primary services (Public Safety, Public Works, Culture & Recreation, General Government) and is the primary operating fund unit of the City.
   b. Tax Increment Reinvestment Zone #1 Fund accounts for revenue sources that are legally held for special purposes within the zone. The revenue sources consist of property tax collections within the zone and lease payments for facilities.
   c. Capital Projects Fund accounts for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds.
   d. Debt Service Fund accounts for the accumulation of resources and payment of general obligation and certificate of obligation bond principal and interest from governmental resources.
   e. Other Governmental Funds is a summarization of the nonmajor governmental funds.

2. Proprietary Funds:
   The focus of Proprietary Fund measurement is upon determination of operating income, changes in net position, and cash flows, which is similar to private-sector businesses. The following is a description of the Proprietary Funds of the City:
   a. Water and Sewer Fund accounts for the operation of the City's water and sewer utility. Activities of the Fund include administration, operation and maintenance of the water and sewer system, and billing and collection activities. The Fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for contractual obligation bonds when due throughout the year. All costs are financed through charges made to utility customers with rates reviewed regularly and adjusted, if necessary, to ensure integrity of the Fund.
   b. Other Proprietary Funds is a summarization of the nonmajor proprietary funds including the stormwater drainage program and the environmental services fund.

3. Other Fund Types
   a. Fiduciary funds are used to account for the accumulation of resources to be used for the Tourism Public Improvement District

E. Cash, Cash Equivalents, and Investments

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity date within three months of the date acquired by the government. Cash in all funds, excluding the City's payroll account, lockbox operations, police seizure accounts and Charitable Foundation account, is combined into one bank account in order to maximize investment opportunities. Although individual funds may experience temporary overdraft liabilities, a positive balance is maintained in combined cash.

All investments are recorded at fair value based on market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

Investments in TexPool and TexStar are considered cash equivalents as the amounts are available on demand. Investments, other than investments in pools as previously referenced, are recorded at fair value based upon verifiable market prices.

The following table summarizes the restricted cash and investments:

Governmental Activities	Amount
Tax Increment Reinvestment Zones	$ 19,158,956
Debt Service Fund	10,088,867
Hotel/Motel Fund	14,807,267
Panther Creek PID	41,962
Traffic control enforcement	19,225
Court Fees	164,928
PEG Cable Fund	1,627,351
Road Impact Fees	38,786,236
Park Development Fees	39,069,128
Total	123,763,920

Business-Type Activities	Amount
Utility Capital Projects	67,195,074
Utility Impact Fees	29,886,973
Total	97,082,047

Total Primary Government Restricted Cash and Investments	$ 220,845,967

Component Units	Amount
Pollution Remediation	$ 38,948,140
Capital Projects	6,675,461
Total	$ 45,623,601

F. Inventories and Prepaid Items

Inventories of supplies are maintained at the City. These inventories are valued at cost using the first in/first out (FIFO) inventory method. The cost of inventories is recorded as expenditures/expenses when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government wide and fund financial statements. The cost of prepaid items are recorded as expenditures/expenses when consumed rather than when purchased. Inventories and prepaid items are recognized as nonspendable in the governmental funds in the fund level financial statements to signify that a portion of fund balance is not available for other subsequent expenditures.

G. Interfund Transactions and Receivables and Payables

Short-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts. All legally authorized transfers are appropriately treated as transfers and are included in the changes in fund balance/net position of both governmental and proprietary funds.

H. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and right-to-use lease and subscription assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in proprietary fund financial statements.

All purchased capital assets are valued at cost where historical records are available or at an estimated cost where no historical records exist. In the case of the initial capitalization of infrastructure assets (i.e., those reported by governmental activities), the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical costs of these assets through back trending (i.e., estimating the current replacement costs of the infrastructure to be capitalized and using an appropriate price-level index to deflate the costs to the acquisition year or estimated acquisition year). Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. The City considers the asset as received when all requirements have been met by the developer including providing the City with affidavits of value. Public domain (infrastructure) assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems have been recorded at estimated historical cost. The City defines capital assets as assets with an initial individual cost of $5,000 or more and an estimated useful life greater than one year. Outlays for capital assets and improvements are capitalized as the projects are constructed. Lease and subscription assets are measured at the total minimum fixed payments throughout the term of the agreement discounted to net present value.

Capital assets of the primary government, as well as the component units, are depreciated or amortized using the straight-line method over the following estimated useful lives:

Buildings	20-25 years
Right-to-use leased buildings	2-5 years
Improvements other than buildings	15-30 years
Vehicles	3-15 years
Machinery & equipment	3-20 years
Right-to-use leased equipment	1-5 years
Subscription-based IT arrangement (SBITA)	1-5 years

The costs of normal maintenance and repairs that do not materially add to the value of the asset or significantly extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related assets, as applicable.

I. Compensated Absences

The City allows employees to accumulate earned but unused vacation benefits to a maximum of 240 hours for the first 10 years of employment, 288 hours for over ten years of employment, and 320 hours for employees with over 15 years of employment. Certified police officers and firefighters working 8-hour days have a maximum of 480 hours, while firefighters who work a 24-hour shift have a maximum of 720 hours. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. In accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulating rights. Upon termination, the City pays to employees with over one year of service, up to

their tenure's maximum for vacation, and up to 720 hours of sick leave. Fire Department personnel are paid up to their corresponding maximum hours for vacation and either 720 or 1080 hours for sick leave. A maximum of 720 hours of sick is paid out to fire shift personnel working 96-hour/14-day and 8-hour/7-day work cycles and 1080 hours for those working 24-hour/28-day work cycles. Vacation and sick leave in excess of the employee's hour maximum is not paid upon termination. All compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured and typically, in prior years the General Fund has liquidated the liability.

J. Federal and State Grants

Grants and shared revenues are generally accounted for within the Grants Fund or Community Development Block Grants Fund if funding is for a governmental fund type. Federal grants include several police, fire and transportation related grants which are accounted for within the Grants Fund. Community Development Block Grants are accounted for within that fund. Various state grants are also included in the Grants Fund. Proprietary fund grants are accounted for within the applicable fund.

K. Long-term Debt

General Obligation Bonds and Certificate of Obligation Bonds issued for general government capital projects that are to be repaid from tax revenues of the City are recorded in the government-wide statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method in the proprietary fund and the government-wide financial statements. Bond issuance costs are expensed. Bonds payable are reported net of the applicable bond premium or discount. In the governmental fund financial statements, issuance costs, as well as bond premiums and discounts, are recognized when incurred.

Certificate of Obligation Bonds have been issued to fund capital projects of the Proprietary Funds. Such bonds are to be repaid from the net revenues of the applicable Proprietary Fund. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bond issuance costs are expensed.

L. Deferred Inflows and Deferred Outflows of Resources

Deferred inflows of resources represent an acquisition of net assets that applies to a future period. Deferred inflows have a negative effect on net position, similar to liabilities. The City of Frisco reports deferred inflows of resources as the offset account to assets earned, but not yet available. Deferred outflows of resources represents a consumption of net assets that applies to future periods. Deferred outflows of resources increase net position, similar to assets. For current refundings and advance refundings resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt that results in a refunding loss, is reported as a deferred outflow of resources. The deferred outflows of resources are recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter. For pensions and OPEB, pension items are recognized in accordance with GASB 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* (GASB 68) and OPEB items are recognized in accordance with GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). For deferred amounts related to leases and public-private partnerships, items are recognized in accordance with GASB 87, *Leases* and GASB 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The City of Frisco deferred outflows of resources and deferred inflows of resources changes for the year are detailed below:

	Balance 10/1/23	Additions	Deletions	Balance 9/30/24
Deferred outflows				
Governmental activities	$ 44,242,070	$ 28,984,041	$ 38,538,973	$ 34,687,138
Business-type activities	5,995,596	3,826,263	5,034,606	4,787,253
Component units	919,567	666,320	883,220	702,667
Total	$ 51,157,233	$ 33,476,624	$ 44,456,799	$ 40,177,058
Deferred inflows				
Governmental activities	$ (44,141,937)	$ (87,371,614)	$ 10,536,020	$ (120,977,531)
Business-type activities	(714,443)	(567,595)	714,438	(567,600)
Component units	(461,457)	(103,199)	236,976	(327,680)
Total	$ (45,317,837)	$ (88,042,408)	$ 11,487,434	$ (121,872,811)

M. Retirement Plans

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's Total Pension Liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with GASB 68.

N. OPEB

For purposes of measuring the total OPEB liability, OPEB related deferred outflows and inflows of resources, and OPEB expense, City specific information about its total OPEB liability in the TMRS Supplemental Death Benefits Fund (SDBF) and Retiree health insurance and additions to/deductions from the City's total OPEB liability have been determined on the same basis as they are reported by TMRS and Lockton Companies. For this purpose, benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Information regarding the City's SDBF Total OPEB Liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company. Information regarding the City's Retiree Health Insurance Total OPEB Liability is obtained through a report prepared for the City by Lockton Companies consulting actuaries. Both reports are prepared in compliance with GASB 75.

O. Fund Equity

In order to comply with the GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*, the fund balance section of the balance sheets of the governmental funds include the following items:

- Nonspendable fund balance include the:
  - Portion of net resources that cannot be spent because of their form,
  - Portion of net resources that cannot be spent because they must be maintained intact.
- Restricted fund balance (externally enforceable limitations on use) include amounts subject to:
  - Limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments
  - Limitations imposed by law through constitutional provision or enabling legislation.
- Committed fund balance (self-imposed limitations set in place prior to the end of the period):
  - Limitation imposed at the highest level of decision making (an approved resolution) that requires formal action at the same level to remove. For the City, the City Council is the highest level of decision making and approves any commitments by resolution of the Council, which is considered the most binding constraint for fund balance classification purposes.
- Assigned fund balance consists of amounts where the:
  - Intended use is established by the body designated for that purpose (City Council),
  - Intended use is established by official designated for that purpose. The City Manager, Deputy City Manager and Chief Financial Officer are the designated officials set by ordinance.
- Unassigned fund balance is the total fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive fund balance. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

In the government-wide and proprietary funds financial statements, the net position is reported in three components: (1) net investment in capital assets, (2) restricted and (3) unrestricted. Net investment in capital assets represents the City's total investment in capital assets, net of depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvements of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

For the classification of governmental fund balances, the City considers an expenditure to be made from the most restrictive first when more than one classification is available. For example, when an expenditure is incurred, the flow assumption in determining the applicable order of using fund balance resources available is first by Committed (such as for encumbrances), then by Assigned (for the established, official intended uses), and finally by Unassigned fund balance. Net position restricted for impact fee collections in the Water and Sewer fund is a reserve required by the fee ordinance.

P. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows of resources, deferred inflows of resources and contingent assets and liabilities as of the balance sheet date and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Q. Restricted Resources

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as required.

R. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting—under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation—is utilized in the governmental fund types. Encumbrances outstanding at year-end are reported as an adjustment-budgetary basis on the Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual. The commitments will be honored during the subsequent year.

S. Leases

Lessee
The City has a policy to recognize a lease liability and a right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

Lease assets are recorded at the amount of the initial measurement of the lease liabilities and modified by any lease payments made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term along with any initial direct costs that are ancillary charges necessary to place the lease assets into service. Lease assets are amortized using the straight-line method over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the City has determined is reasonably certain of being exercised. In this case, the lease asset is amortized over the useful life of the underlying asset.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

Lessor

The City is a lessor for leases of special purpose facilities, office and commercial space, and land. The City recognizes lease receivable and deferred inflows of resources in the financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources are recognized as revenue over the life of the lease term in a systematic and rational method.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

The City uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

T. Public-Private and Public-Public Partnerships (PPP) and Availability Payment Arrangements

PPP is an arrangement in which the City (the transferor) contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (PPP asset), for a period of time in an exchange or exchange-like transaction.

As transferor, the City recognizes a PPP receivable. The PPP receivable is measured using the net present value of future PPP payments to be received for the PPP term and deferred inflows of resources at the beginning of the PPP term. Periodic amortization of the discount on the receivable are

reported as interest revenue for that period. Deferred inflows of resources are recognized as inflows on a straight-line basis over the term of the arrangement. This recognition does not apply to short-term arrangements, contracts that transfer ownership, lease of assets that are investments, or certain regulated leases. Any initial direct costs are reported as an outflow of resources for that period. Re-measurement of PPP receivables occur when there are modifications, including but not limited to changes in the contract price, PPP term, and adding or removing an underlying asset to the PPP arrangements. In the case of a partial or full PPP termination, the carrying value of the PPP receivable and the related deferred inflow of resources will be reduced and will include a gain or loss for the difference.

U. Subscription-Based Information Technology Arrangements (SBITA)

GASB Statement No. 96, *Subscription-Based Technology Arrangements,* provides guidance on the accounting and financial reporting of contractual arrangements. It required the recognition of certain right-to-use subscription assets and corresponding liabilities.

The City has contracts with SBITA vendors for the right-to-use information technology software, alone or in combination with tangible capital assets. The City recognizes subscription liabilities, reported with long-term debt, and right-to-use subscription assets, reported with the other capital assets, in the government-wide and proprietary funds financial statements.

The City initially measures subscription liabilities at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liabilities are reduced by the principal portion of SBITA payments made. The right-to-use subscription assets are initially measured as the initial amount of the subscription liabilities, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain initial implementation costs. Subsequently, the subscription assets are amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying assets.

Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term and (3) subscription payments.

- (1) The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- (2) The subscription term includes the noncancellable period of the SBITA.
- (3) Subscription payments included in the measurement of the subscription liabilities are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, termination penalties if the City is reasonably certain to exercise such options, subscription contract incentives receivable from the SBITA vendor and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The City monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure the subscription assets and liabilities if certain changes occur that are expected to significantly affect the amount of the subscription liabilities.

V. New Accounting Pronouncements

In the current year the City implemented the following GASB pronouncements:

GASB Statement No. 100, *Accounting Changes and Error Corrections* - an amendment of GASB Statement No. 62*,* is effective for the City's fiscal year ending September 30, 2024. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Adoption of GASB 100 had no effect on beginning net position/fund balance.

The GASB has issued the following statements which will be effective in future years as described below. The impact on the City's financial statements of implementation has not yet been determined for the following:

GASB Statement No. 101, *Compensated Absences*, is effective for the City's fiscal year ending September 30, 2025. The primary objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

GASB Statement No. 102, *Certain Risk Disclosures*, is effective for the City's fiscal year ending September 30, 2025. The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

GASB Statement No. 103, *Financial Reporting Model Improvements*, is effective for the City's fiscal year ending September 30, 2026. The objective of this statement is to improve key components of the financial reporting model to enhance it's effectiveness in providing information that is essential to decision making and assessing a government's accountability. The statement focuses on improvements to Management's Discussion and Analysis, proprietary fund statement of revenues, expenses and changes in net position, major component units, and other areas.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, is effective for the City's fiscal year ending September 30, 2026. This statement requires state and local governments to provide detailed information about certain types of assets including lease assets, right-to-use assets, subscription assets, and assets held for sale.

Note 2. Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains the "Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this $1,104,753,121 difference are as follows:

Bonds and certificates of obligation payable	$ 947,520,000
Bond discount (to be amortized as interest expense)	(1,219,995)
Bond premiums (to be amortized over the life of the bonds)	41,301,281
Accrued interest payable	5,020,210
Leases & SBITA payable	4,296,969
Rebates payable	8,243,186
Developer payable	17,329,682
Compensated absences	29,035,928
Net pension liability	49,607,290
Total OPEB liability	3,618,570
Net adjustment to reduce fund balance – total governmental funds to arrive at net position – governmental activities	$1,104,753,121

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains, "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of the $139,484,410 difference are as follows:

Capital outlay	$ 191,894,003
Developers' contributions	63,853,580
Developer payable (refund)	(17,329,682)
Component unit capital contribution	14,593
Book value of capital assets disposed/retired	(2,147)
Depreciation and lease amortization expense	(98,945,937)
Net adjustment to increase net changes in fund balance – total governmental funds to arrive at changes in net position of governmental activities	$ 139,484,410

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this $78,300,742 difference are as follows:

Debt issued or incurred:		
Premium amortization	$	8,829,331
Discount amortization		(146,116)
Amortization on loss of refunding of debt		(789,946)
Refunding bond write off deferred loss/premium		(215,273)
SBITA and lease financing		(4,582,225)
Bonds issued		(139,040,000)
Bond premium issued		(12,747,013)
Bond discount issued		249,778
Principal repayments:		
Payment to refunding agent		12,435,273
Bonds, leases, & SBITAs		57,705,449
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	$	(78,300,742)

Another element of that reconciliation states, "Some expenses and revenues reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in governmental funds. Current year pension and OPEB expenditures are reported on the fiscal year basis on the governmental statement of revenues, expenditures and changes in fund balances and as actuarially determined in the government-wide statement of activities." The details of this $(9,197,495) difference are as follows:

Increase in accrued interest on bonds	$ (492,856)
Increase in rebates payable	(6,166,522)
Increase in compensated absences	(1,920,355)
Increase in pension expense	(885,777)
Decrease in OPEB expense	268,015
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	$ (9,197,495)

Note 3. Legal Compliance – Budgets

Budgetary Information
Annual appropriated budgets are legally adopted for the General Fund, Debt Service Fund, Capital Projects Funds, and Special Revenue Funds. The legal level of authority is at the fund level. The annual budget is adopted using the budgetary basis of accounting. The budgetary basis of accounting differs from accounting principles generally accepted in the United States in that encumbrances are recorded as expenditures in the period encumbered and not when incurred. All annual appropriations lapse at fiscal year-end. Project length financial plans are adopted for certain Capital Projects Funds. The City follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to August 15, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to September 30, the budget is legally enacted through the passage of an ordinance.
4. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.
5. Formal budgetary review is employed as a management control device during the year for the General Fund, Debt Service Fund, and Capital Projects Funds. Supplemental appropriations were made during the fiscal year, during the revised budget process.
6. The budget approved for the discretely presented component units follow similar approval procedures.
7. The budget approved for the Water & Sewer Fund follows similar approval procedures but departs from generally accepted accounting principles by not including depreciation or compensated absence expenses in the approved budget.

Note 4. Deposits and Investments

Deposits – State statutes require that all deposits in financial institutions be fully collateralized by U.S. government obligations or obligations of Texas and its agencies that have a fair value of not less than the principal amount of the deposits. The City's deposits were insured up to $250,000 or collateralized as required by State statutes at September 30, 2024. At year-end, the carrying amount of the City's demand deposits was a balance of $6,639,751, bank balance, $8,026,455 The carrying amount of the component unit's pooled cash was $(2,103,065), bank balance, $299. The cash on hand carrying amount totaled $22,144. The bank balance for the primary government and the component unit's deposits was covered by collateral with a fair value of $26,371,200. The collateral is held in the City's name by the Bank of New York Mellon and JP Morgan National Collateral Management Group, agents of the City's financial institutions.

Investments – State statutes, city policies, and city resolutions authorize the City's investments. The Chief Financial Officer and the Director of Financial Services are authorized by the City Council to invest all available funds consistent with the investment policy. The City is authorized to invest in United States obligations or its agencies and instrumentalities, direct obligations of the State of Texas or its agencies and instrumentalities, other obligations backed by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities, obligations of states, agencies, counties, cities, and other political subdivisions of any State having an investment rating of not less than "A" or its equivalent, fully collateralized repurchase agreements, certificates of deposit issued by a depository institution that has its main office or branch office in the State of Texas, money market mutual funds regulated by the Securities and Exchange Commission with a dollar weighted average portfolio maturity of 90 days or less, and local government investment pools organized and operating in compliance with the Inter-local Cooperation Act.

As of September 30, 2024, the City had the following investments:

Investment Type	Fair Value	Weighted Average Maturity Days
Primary Government		
General Fund		
Federal Agency Notes	$ 121,038,280	197
TexPool	42,755,697	26
TexStar	37,810,864	26
CIP Funds		
Federal Agency Notes	178,291,902	142
TexPool	14,596,130	26
TexStar	354,489,900	26
Other Funds		
Federal Agency Notes	99,401,097	141
TexPool	172,859,476	26
TexStar	6,737,476	26
Total Primary Government	1,027,980,822	77
Component Units		
Community Development		
Federal Agency Notes	29,618,110	203
TexPool	84,405,586	26
TexStar	3,036,134	26
Economic Development		
Federal Agency Notes	36,409,112	161
TexPool	45,382,543	26
TexStar	3,405,690	26
Charitable Foundation		
TexPool	49,038	26
Total Component Units	202,306,213	76
Total Government	$ 1,230,287,035	77

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application* provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs-other than quoted prices included within Level 1-that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

The City has recurring fair value measurements as presented in the table below. Investment balances of such investments are as follows:

		Fair Value Measurements Using		
Primary Government	September 30, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents:				
Bank deposits	$ 6,639,751	$ —	$ —	$ —
Total cash and cash equivalents	6,639,751	—	—	—
Investments measured at amortized costs:				
Investment pools:				
TexPool	230,211,303	—	—	—
Investments measured at net asset value (NAV), fair value:				
Investment pools:				
TexStar	399,038,240	—	—	—
Investments by fair value level:				
U.S. government agency securities:				
Federal Home Loan Bank	52,105,662	—	52,105,662	—
Federal Farm Credit Bank	123,104,368	—	123,104,368	—
Federal Home Loan Mortgage Company	6,857,578	—	6,857,578	—
US Treasury Notes	216,663,671	—	216,663,671	—
Total investments	1,027,980,822	—	398,731,279	—
Total cash and investments	$1,034,620,573	$ —	$398,731,279	$ —

The chart above excludes the fiduciary cash balance of $243,724 held in the Tourism PID custodial fund.

The component unit investment balances of such investments are as follows:

Component Units	September 30, 2024	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents:				
Bank deposits	$ (2,103,065)	$ —	$ —	$ —
Total cash and cash equivalents	(2,103,065)	—	—	—
Investments measured at amortized costs:				
Investment pools:				
TexPool	129,837,167	—	—	—
Investments measured at net asset value (NAV), fair value:				
Investment pools:				
TexStar	6,441,824	—	—	—
Investments by fair value level:				
U.S. government agency securities:				
Federal Farm Credit Bank	12,025,682	—	12,025,682	—
Federal Home Loan Bank	4,001,064	—	4,001,064	—
US Treasury Notes	50,000,476	—	50,000,476	—
Total investments	202,306,213	—	66,027,222	—
Total cash and investments	$ 200,203,148	$ —	$ 66,027,222	$ —

Investment Pools are measured at amortized cost or net asset value (NAV) and are exempt from fair value reporting.

U.S. Government Agency Securities and U.S. Treasury Bonds and Notes classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The TexPool investment pool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, the investment pool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool The investment pool transacts at a net asset value of $1.00 per share, has weighted average maturities of 60 days or less and weighted average lives of 120 days or less, investments held are highly rated by nationally recognized statistical rating organizations, have no more than 5% of portfolio with one issuer (excluding U.S. government securities), and can meet reasonable foreseeable redemptions. TexPool has a redemption notice period of one day and may redeem daily. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity.

The TexStar investment pool is an external investment pool measured at NAV. The strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. The City has no unfunded commitments related to the pools. TexStar has a redemption notice period of one day and may redeem daily. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity.

TexPool is not registered with the Securities and Exchange Commission. The Texas Local Government Investment Pools (the "TexPool Portfolios") have been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Comptroller of Public Accounts maintains oversight.

TexStar is not registered with the Securities and Exchange Commission. TexStar operates in compliance with Public Funds Investment Act of the Texas Government Code. The oversight body for TexStar is the TexStar Governing Board.

Interest Rate Risk – In order to minimize risk of loss due to interest rate fluctuations, the City's Investment Policy states investment maturities will not exceed the anticipated cash flow requirement of the funds as follows:

- Operating Funds – The dollar weighted average maturity of 365 days or less will be calculated using the stated final maturity dates of each security and the maximum allowable maturity shall be two years.
- Bond Proceeds – The maximum maturity for all bond proceeds shall be three years.
- Bond Reserve Funds – Maturity limitation shall generally not exceed the call provision of the Bond Ordinance and shall not exceed the final maturity of the bond issue.
- Other Funds – Maximum maturity shall not exceed five years and each fund's weighted average life shall not exceed three years.

Credit Risk – In compliance with the City's Investment Policy, and in conjunction with state law, as of September 30, 2024, the City minimized credit risk losses by limiting investment to the safest types of securities, pre-qualifying investments through our asset management company, and diversifying the investment portfolio so that potential losses on individual securities were minimized. The City also invested in certificates of deposits at local banks as applicable. The City's investments in U.S. Agency securities (FHLB, FFCB and FNMA) are rated AAA by Standard & Poor's and Aaa by Moody's Investors Services. The City's investments in local government investment pools (TexPool and TexStar) are in compliance with the Public Funds Investment Act and rated AAAm by Standard & Poor's. More than five percent of the City's and Component Unit's investments, excluding investment pools, are in U.S. Treasury Notes, Federal Farm Credit Bank (FFCB) and Federal Home Loan Bank (FHLB). These investments are 57.38%, 29.08% and 12.07% respectively, of the total investments.

Concentration of Credit Risk – The City's formal investment policy does not address limitations to one particular issuer.

Note 5. Receivables

Receivables at September 30, 2024, for the government's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are all considered to be collectible within one year and consist of the following:

Receivables
September 30, 2024

Governmental Activities	General	TIRZ #1	Capital Projects	Debt Service	Nonmajor Funds	Total
Property tax	$ 1,541,498	$ —	$ —	$ 813,298	$ —	$ 2,354,796
Sales tax	11,838,242	—	—	—	—	11,838,242
Franchise tax	7,110,633	—	—	—	40,293	7,150,926
Occupancy tax	—	—	—	—	1,286,761	1,286,761
Mixed beverage	152,028	—	—	—	—	152,028
Leases	2,735,372	1,220,069	—	—	262,691	4,218,132
PPP's	—	113,274,629	—	—	—	113,274,629
Accrued interest	826,056	132,783	1,402,905	—	196,488	2,558,232
Grants	—	—	7,247,416	—	301,488	7,548,904
Other	2,518,990	530,046	7,913	—	6,017	3,062,966
Gross receivables	26,722,819	115,157,527	8,658,234	813,298	2,093,738	153,445,616
Less: allowance	(1,652,236)	—	—	(40,665)	—	(1,692,901)
Net receivables	$ 25,070,583	$115,157,527	$ 8,658,234	$ 772,633	$ 2,093,738	$151,752,715

Business-type Activities	Water and Sewer	Nonmajor Funds	Total
Utility bills	$ 27,100,653	$ —	$ 27,100,653
Accrued interest	891,696	—	891,696
Grants	389,780	16,376	406,156
Other	285,240	134,325	419,565
Gross receivables	28,667,369	150,701	28,818,070
Less: allowance	(3,344,731)	—	(3,344,731)
Net receivables	$ 25,322,638	$ 150,701	$ 25,473,339

Component Units	Community Development Corporation	Economic Development Corporation	Total
Sales tax	$ 5,919,121	$ 5,919,121	$ 11,838,242
Leases	4,485	43,426	47,911
PPP's	184,113	—	184,113
Accrued interest	236,653	217,746	454,399
Other	15,831	10	15,841
Net receivables	$ 6,360,203	$ 6,180,303	$ 12,540,506

The Proprietary Fund accounts receivable includes unbilled charges for services rendered at September 30, 2024.

Property taxes are levied on October 1, are payable until February 1 of the following year without penalty and are levied for the period in which they are levied. Property taxes attach as an enforceable lien on property as of February 1. No discounts are allowed for early payment. Penalty and interest are calculated after February 1 up to the date collected by the City at the rate of 6% for the first month and increased by 1% per month up to a total of 12%. Under state law, property taxes on real property constitute a lien on the property and cannot be forgiven without specific approval of the State Legislature. The lien expires at the end of 20 years. Taxes applicable to personal property may be deemed uncollectible by the City. The City's current policy is to write off uncollectible personal property taxes after four years.

Leases and PPPs receivable – The City, FCDC and FEDC have entered into multiple lease and PPP agreements for facilities, land and cell towers as lessor. The City initially measured the Lease and PPP receivables at the present value of payments expected to be received during the agreement term. The lease and PPP rate, term, and ending lease receivables are as follows:

Leases Receivable	Interest Rates	Lease Terms in Years	Balance 10/1/23	Additions	Deductions	Ending Balance
General Fund:						
Land	.31-1.59%	1-11	$ 344,373	$ 2,448	$ (36,903)	$ 309,918
Building and Improvements	.24-1.16%	1-6	3,090	6,179	(6,177)	3,092
Cell Towers	.23-.3.63%	1-5	2,399,648	1,454,250	(1,431,536)	2,422,362
						$ 2,735,372
TIRZ 1:						
Building and Improvements	.66-2.56%	1-21	$ 112,942	$ 1,262,000	$ (154,873)	$ 1,220,069
Nonmajor Funds:						
Building and Improvements	2.40%	46	$ 266,295	$ —	$ (3,604)	$ 262,691
Component units:						
Land	2.63%	3	$ 99,550	$ —	$ (51,639)	$ 47,911
PPP Receivable						
TIRZ 1:						
Land	3.43-3.86%	10-25	$ 17,562,153	$ —	$ (1,152,594)	$ 16,409,559
Building and Improvements	3.43-3.78%	10-35	$ 18,557,880	$79,708,642	$ (1,401,452)	96,865,070
						$ 113,274,629
Component units:						
Building and Improvements	3.48%	5	$ 236,701	$ —	$ (52,588)	$ 184,113

In addition, the FCDC has entered into two leases that include variable payments based on the lessees performance. In FY24 the FCDC recognized $63,896 in variable leases revenue.

Notes Receivable City

The City periodically issues bonds on behalf of the Frisco Community Development Corporation and Frisco Economic Development Corporation to fund various projects of these entities. Each component unit has an agreement with the City to fund the principal and interest payments of the bonds; therefore, a note receivable is reported in the government wide financial statements of the City from each component unit equal to the face amount of the bonds outstanding. During fiscal year 2024, the bond associated with the Frisco Community Development Corporation's note to the City was satisfied.

The City has note receivables with clients in the targeted down payment assistance program totaling $32,000. Additionally, the City has one developer agreement in the CIP Fund for $373,000 which is classified as a note receivable. This $405,000 total note receivable is recorded at the fund level in the financial statements.

Note 6. Capital, Lease, and Subscription Assets

The following is a summary of changes in the capital, lease, and subscription assets during the fiscal year:

Capital, Lease, and Subscription Assets Activity
For the Year Ended September 30, 2024

Governmental Activities	Balance 10/1/2023	Additions	Transfers	Retirements/ Other Deductions	Balance 9/30/2024
Capital assets, not being depreciated:					
Land	$ 398,995,062	$ 4,804,407	$ —	$ —	$ 403,799,469
Intangible assets	92,227	—	—	—	92,227
Construction-in-progress	158,313,140	173,199,752	(184,903,053)	—	146,609,839
Total capital asset, not being depreciated	557,400,429	178,004,159	(184,903,053)	—	550,501,535
Capital, lease, and subscription assets, being depreciated/amortized:					
Machinery and equipment	127,658,763	12,931,960	14,593	(1,351,200)	139,254,116
Right-to-use leased equipment	662,701	90,630	—	—	753,331
Buildings and improvements	835,449,937	70,669	66,476,577	—	901,997,183
Right-to-use leased buildings	653,456	—	—	—	653,456
Improvements other than buildings	1,648,099,495	60,150,571	118,426,476	—	1,826,676,542
Right-to-use SBITA	1,635,238	4,499,594	—	—	6,134,832
Total capital, lease, and subscription assets being depreciated/amortized	2,614,159,590	77,743,424	184,917,646	(1,351,200)	2,875,469,460
Less accumulated depreciation/amortization:					
Machinery and equipment	(81,877,937)	(10,810,022)	—	1,349,053	(91,338,906)
Right-to-use leased equipment	(242,883)	(113,515)	—	—	(356,398)
Buildings and improvements	(313,184,165)	(30,388,442)	—	—	(343,572,607)
Right-to-use leased buildings	(384,115)	(101,245)	—	—	(485,360)
Improvements other than buildings	(661,112,747)	(55,779,149)	—	—	(716,891,896)
Right-to-use SBITA	(488,331)	(1,753,564)			(2,241,895)
Total accumulated depreciation/amortization	(1,057,290,178)	(98,945,937)	—	1,349,053	(1,154,887,062)
Total capital, lease, and subscription assets, being depreciated/amortized, net	1,556,869,412	(21,202,513)	184,917,646	(2,147)	1,720,582,398
Governmental activities capital, lease, and subscription assets, net	$2,114,269,841	$ 156,801,646	$ 14,593	$ (2,147)	$2,271,083,933

Business-type Activities	Balance 10/1/2023	Additions	Transfers	Retirements/ Other Deductions	Balance 9/30/2024
Capital assets, not being depreciated:					
Land	$ 11,379,818	$ 490,000	$ —	$ —	$ 11,869,818
Construction-in-progress	59,804,379	58,602,975	(35,332,117)	—	83,075,237
Total capital asset, not being depreciated	71,184,197	59,092,975	(35,332,117)	—	94,945,055
Capital, lease, and subscription assets being depreciated/amortized					
Machinery and equipment	14,387,630	2,635,513	—	(765,941)	16,257,202
Right-to-use leased equipment	96,504	—	—	—	96,504
Buildings and improvements	10,178,723	—	9,361,164	—	19,539,887
Improvements other than buildings	705,581,770	42,001,550	25,970,953	—	773,554,273
Right-to-use SBITA	182,435	25,981	—	—	208,416
Total capital, lease, and subscription assets being depreciated/amortized	730,427,062	44,663,044	35,332,117	(765,941)	809,656,282
Less accumulated depreciation/amortization:					
Machinery and equipment	(10,300,122)	(1,323,489)	—	754,685	(10,868,926)
Right-to-use leased equipment	(43,700)	(21,850)	—	—	(65,550)
Buildings and improvements	(8,780,907)	(441,567)	—	—	(9,222,474)
Improvements other than buildings	(262,822,619)	(21,533,199)	—	—	(284,355,818)
Right-to-use SBITA	(91,218)	(117,199)	—	—	(208,417)
Total accumulated depreciation/amortization	(282,038,566)	(23,437,304)	—	754,685	(304,721,185)
Total capital, lease, and subscription assets, being depreciated/amortized, net	448,388,496	21,225,740	35,332,117	(11,256)	504,935,097
Business-type activities capital, lease, and subscription assets, net	$ 519,572,693	$ 80,318,715	$ —	$ (11,256)	$ 599,880,152

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

Governmental activities	
General government	$ 22,875,559
Public safety	8,468,067
Public works	56,083,040
Culture and recreation	11,519,271
Total depreciation/amortization expense governmental activities	$ 98,945,937
Business-type activities	
Water & sewer	$ 23,200,317
Stormwater drainage	168,430
Environmental services	68,557
Total depreciation/amortization expense business-type activities	$ 23,437,304

Frisco Community Development Corporation	Balance 10/1/2023	Additions	Transfers	Retirements/ Other Deductions	Balance 9/30/2024
Capital assets, not being depreciated:					
Land	$ 71,518,747	$ —	$ —	$ —	$ 71,518,747
Total capital assets not being depreciated	71,518,747	—	—	—	71,518,747
Capital assets, being depreciated:					
Machinery and equipment	118,213	14,593	(14,593)	—	118,213
Buildings and improvements	4,276,396	—	—	—	4,276,396
Improvements other than buildings	18,920,290	485,400	—	—	19,405,690
Total capital assets being depreciated	23,314,899	499,993	(14,593)	—	23,800,299
Less: accumulated depreciation	(21,470,364)	(192,689)	—	—	(21,663,053)
Total capital assets, being depreciated, net	1,844,535	307,304	(14,593)	—	2,137,246
FCDC capital assets, net	$ 73,363,282	$ 307,304	$ (14,593)	$ —	$ 73,655,993

Frisco Economic Development Corporation	Balance 10/1/2023	Additions	Transfers	Retirements/ Other Deductions	Balance 9/30/2024
Capital assets, not being depreciated:					
Land	$ 16,582,801	$ 181,250	$ —	$ —	$ 16,764,051
Construction in progress	—	1,103,365	—	—	1,103,365
Total capital assets not being depreciated	16,582,801	1,284,615	—	—	17,867,416
Capital and lease assets, being depreciated/ amortized:					
Machinery and equipment	140,542	371,903	—	—	512,445
Right-to-use leased equipment	32,892	—	—	—	32,892
Buildings and improvements	556,839	992,874	—	—	1,549,713
Right-to-use leased building	379,196	—	—	—	379,196
Total capital and lease assets being depreciated/amortized	1,109,469	1,364,777	—	—	2,474,246
Less: accumulated depreciation/ amortization	(563,256)	(30,346)	—	—	(593,602)
Total capital and lease assets, being depreciated/amortized, net	546,213	1,334,431	—	—	1,880,644
FEDC capital and lease assets, net	$ 17,129,014	$ 2,619,046	$ —	$ —	$ 19,748,060

In addition to construction in progress, the City had commitments or binding contracts as of September 30, 2024. The construction commitments or binding contracts totaled $194,785,982 for the governmental capital projects fund; and $32,632,829 for the business-type activities capital projects fund. Other funds also had outstanding encumbrances totaling $8,180,139.

Governmental activities	
General fund	$ 6,942,249
Capital projects fund	194,785,982
Nonmajor funds	395,094
Total outstanding commitments	$ 202,123,325
Business-type activities	
Water & Sewer fund	$ 654,433
Water & Sewer fund construction	32,632,829
Nonmajor funds	188,363
Total outstanding commitments	$ 33,475,625

Note 7. Notes Payable

The following is a summary of the changes in notes payable during the fiscal year:

Frisco Community Development Corporation	Balance 10/1/2023	Additions	Deletions	Balance 9/30/2024	Amounts Due within one year
Note payable to City	$ 110,000	$ —	$ 110,000	$ —	$ —
Premium	2,057	—	2,057	—	—
Total	$ 112,057	$ —	$ 112,057	$ —	$ —

The City periodically issues bonds on behalf of the Community Development Corporation and Economic Development Corporation to fund various projects of these entities. These entities are component units of the City. Each component unit has an agreement with the City to fund the principal and interest payments of the bonds; therefore, a note payable is reported in the government-wide financial statements of the component units to the City equal to the face amount of the bonds outstanding plus any bond premiums, discounts, and deferred loss from advance refunding of debt. The City is in compliance with related bond covenants.

At September 30, 2024, the balance of the note payable to the City from the Community Development Corporation was satisfied leaving a $0 balance.

Note 8. Long-term Debt

Long-term debt at September 30, 2024 includes the following issues:

Governmental Activities

General Obligation Bonds

Issue	Closing Date	Maturity Date	Interest Rates	Original Issue Amount	Outstanding Amount
2011 Refunding and Improvement Bonds	08/16/2011	02/15/2031	3.125% - 5.000%	$ 109,545,000	$ 1,725,000
2015 A Refunding and Improvement Bonds	08/18/2015	02/15/2035	3.500% - 5.000%	81,335,000	44,330,000
2015 B Refunding Bonds	05/19/2015	02/15/2035	2.500% - 4.100%	6,040,000	3,770,000
2016 Refunding and Improvement Bonds	07/27/2016	02/15/2036	3.500% - 5.000%	115,575,000	58,705,000
2017 Improvement Bonds	07/18/2017	02/15/2037	3.000% - 5.000%	45,510,000	34,005,000
2018 Improvement Bonds	07/17/2018	02/15/2038	3.125% - 5.000%	53,635,000	42,195,000
2019 Improvement Bonds	07/31/2019	02/15/2039	3.000% - 5.000%	63,790,000	52,540,000
2020 Improvement Bonds	09/29/2020	02/15/2040	2.000% - 5.000%	26,790,000	22,995,000
2021 Refunding and Improvement Bonds	01/05/2021	02/15/2040	2.000% - 5.000%	89,950,000	70,605,000
2022 Refunding and Improvement Bonds	01/11/2022	02/15/2042	2.000% - 5.000%	86,520,000	75,755,000
2022 Improvement Bonds	01/11/2022	02/15/2042	1.300% - 2.650%	12,000,000	10,990,000
2023 G.O. Bonds Taxable	08/15/2023	02/15/2043	4.630% - 6.000%	20,490,000	19,905,000
2023 G.O. Refunding & Improvement	08/01/2023	02/15/2043	4.000% - 6.000%	142,195,000	130,055,000
2024 G.O. Bonds Taxable	08/07/2024	02/15/2044	4.750% - 7.000%	8,970,000	8,970,000
2024 G.O. Refunding & Improvement	08/07/2024	02/15/2044	4.000% - 5.000%	93,025,000	93,025,000
			Total	$ 955,370,000	$ 669,570,000

Certificates Of Obligation

Issue	Closing Date	Maturity Date	Interest Rates	Original Issue Amount	Outstanding Amount
2001 B Combination Tax and Revenue	10/01/2001	02/15/2025	6.625%	$ 19,915,000	$ 1,320,000
2008 B Combination Tax and Revenue	02/15/2008	02/15/2033	6.050% - 6.375%	20,520,000	14,760,000
2009 Combination Tax and Limited Surplus Revenue	11/15/2009	02/15/2030	4.000% - 4.750%	3,105,000	1,020,000
2014 A Combination Tax and Limited Surplus Revenue	08/26/2014	02/15/2038	2.650% - 4.150%	90,000,000	65,500,000
2015 A Combination Tax and Limited Surplus Revenue	10/20/2015	02/15/2037	2.000% - 4.000%	9,015,000	6,485,000
2015 B Combination Tax and Limited Surplus Revenue	10/20/2015	02/15/2037	2.580% - 4.300%	20,740,000	15,015,000
2016 B Combination Tax and Limited Surplus Revenue	07/27/2016	02/15/2041	1.916% - 3.600%	20,500,000	16,350,000
2019 Combination Tax and Revenue	02/26/2019	02/15/2039	3.000% - 4.000%	35,000,000	28,570,000
2019 B Combination Tax and Surplus Revenue	07/31/2019	02/15/2039	2.350% - 3.050%	16,535,000	13,235,000
2022 B Combination Tax and Surplus Revenue	01/11/2022	02/15/2042	0.850% - 2.650%	39,510,000	35,875,000
2023 B Combination Tax and Surplus Revenue	08/15/2023	02/15/2043	4.600% - 5.250%	42,775,000	42,775,000
2024 A Combination Tax and Surplus Revenue	08/07/2024	02/15/2044	4.000% - 5.000%	37,045,000	37,045,000
			Total	$ 354,660,000	$ 277,950,000

Business-type Activities

General Obligation Bonds

Issue	Closing Date	Maturity Date	Interest Rates	Original Issue Amount	Outstanding Amount
2015 A Refunding and Improvement Bonds	08/18/2015	02/15/2027	3.500% - 5.000%	26,375,000	9,050,000
2023 Refunding and Improvement Bonds	08/01/2023	02/15/2043	4.000% - 6.000%	19,315,000	16,040,000
2024 Refunding and Improvement Bonds	08/07/2024	02/15/2044	4.000% - 5.000%	7,725,000	7,725,000
			Total	$ 53,415,000	$ 32,815,000

Certificates Of Obligation

Issue	Closing Date	Maturity Date	Interest Rates	Original Issue Amount	Outstanding Amount
2015 Combination Tax and Surplus Revenue	08/18/2015	02/15/2035	3.000% - 4.000%	14,965,000	9,395,000
2016 A Combination Tax and Limited Surplus Revenue	07/27/2016	02/15/2036	4.000%	17,065,000	11,800,000
2017 Combination Tax and Surplus Revenue	07/18/2017	02/15/2037	3.000% - 4.000%	14,455,000	10,590,000
2018 Combination Tax and Surplus Revenue	07/17/2018	02/15/2038	3.000% - 5.000%	14,705,000	11,430,000
2019 A Combination Tax and Surplus Revenue	07/31/2019	02/15/2039	2.500% - 4.000%	9,595,000	7,745,000
2020 Combination Tax and Surplus Revenue	09/29/2020	02/15/2040	2.000% - 5.000%	13,635,000	11,670,000
2021 Combination Tax and Surplus Revenue	01/05/2021	02/15/2040	2.000% - 5.000%	20,315,000	18,090,000
2022 A Combination Tax and Surplus Revenue	01/11/2022	02/15/2042	2.000% - 4.000%	13,855,000	12,845,000
2023 A Combination Tax and Surplus Revenue	08/15/2023	02/15/2043	4.000% - 5.000%	18,535,000	17,980,000
2024 A Combination Tax and Surplus Revenue	08/07/2024	02/15/2044	4.000% - 5.000%	18,520,000	18,520,000
			Total	$ 179,840,000	$ 130,065,000

Component Units

Issue	Closing Date	Maturity Date	Interest Rates	Original Issue Amount	Outstanding Amount
2014 Sales Tax Revenue Bonds	08/26/2014	02/15/2034	2.900% - 4.200%	$ 25,000,000	$ 14,705,000
2015 Sales Tax Revenue Bonds	05/19/2015	02/15/2035	2.650% - 4.250%	6,000,000	3,765,000
2016 A Sales Tax Revenue Bonds	02/11/2016	02/15/2037	3.000% - 5.000%	21,690,000	16,215,000
2016 B Sales Tax Revenue Bonds	02/11/2016	02/15/2037	2.540% - 4.450%	15,180,000	10,995,000
Series 2022 C Sales Tax Revenue Refunding Bonds	03/01/2022	02/15/2032	0.650% - 2.250%	16,515,000	13,480,000
Series 2022 D Sales Tax Revenue Refunding Bonds	03/01/2022	02/15/2032	0.650% - 2.250%	15,535,000	12,680,000
			Total	$ 99,920,000	$ 71,840,000

General obligation bonds and certificates of obligation mature annually in varying amounts through 2044. The interest for the bonds is payable semi-annually with interest rates ranging from 0.850% - 7.000%. The City is in compliance with related bond covenants.

In August 2024, the City of Frisco issued General Obligation Refunding and Improvement Bonds, Series 2024 in the amount of $100,750,000 with a net premium of $9,636,329. Proceeds of the sale of the Bonds are to be used for (i) financing permanent improvements for Police and Fire, Streets, Parks, and Downtown Parking Garage; (ii) to refund $20,665,000 of General Obligation Refunding and Improvement Bonds, Series 2014, and Combination Tax and Surplus Revenue Certificates of Obligation, Series 2014 for debt service savings and (iii) to pay the costs associated with the issuance of the Bonds. The current refunding resulted in the reacquisition price exceeding the net carrying amount of the old debt by $132,189. As a result of the transaction the City reduced total debt service payments by $941,890 and resulted in an economic gain of $811,856.

In August 2024, the City of Frisco issued General Obligation Bonds, Taxable Series 2024 in the amount of $8,970,000 with a net premium of $240,146. Proceeds of the sale of the Bonds are to be used for financing the construction of a parking garage downtown.

In August 2024, the City of Frisco issued Combination Tax and Surplus Revenue Certificates of Obligation, Series 2024 A in the amount of $55,565,000 with a net premium of $5,012,597. Proceeds from the sale of the Certificates will be used for (i) constructing improvements and extensions to the City's combined waterworks and sewer system and water re-use system consisting of transmission lines, pump stations and ground storage; (ii) construction of Northwest Community Park and (iii) to pay the costs associated with the issuance of the Certificates.

During the year, the following changes occurred in the long-term liabilities:

Governmental Activities	Balance 10/1/2023	Increases	Decreases	Balance 9/30/2024	Amounts due within one year
Compensated absences	$ 27,115,573	$ 15,019,310	$ 13,098,955	$ 29,035,928	$ 10,558,751
Leases	720,321	90,630	216,257	594,694	193,616
SBITAs	929,873	4,491,595	1,719,193	3,702,275	1,591,152
Pensions	57,159,671	—	7,552,381	49,607,290	—
OPEB	3,052,068	566,502	—	3,618,570	—
Arbitrage rebates	2,076,664	6,166,522	—	8,243,186	—
Developer payable	—	17,329,682	—	17,329,682	—
General obligation bonds	624,255,000	101,995,000	56,680,000	669,570,000	46,550,000
Certificates of obligation	252,325,000	37,045,000	11,420,000	277,950,000	12,875,000
Premiums	37,383,599	12,747,013	8,829,331	41,301,281	—
Discounts	(1,116,333)	(249,778)	(146,116)	(1,219,995)	—
Total governmental activities	$ 1,003,901,436	$ 195,201,476	$ 99,370,001	$ 1,099,732,911	$ 71,768,519

Business-type Activities	Balance 10/1/2023	Increases	Decreases	Balance 9/30/2024	Amounts due within one year
Compensated absences	$ 2,871,368	$ 1,651,246	$ 1,361,471	$ 3,161,143	$ 1,367,452
Leases	55,519	—	22,710	32,809	23,081
SBITAs	90,768	25,981	116,749	—	—
Pensions	7,227,085	—	954,899	6,272,186	—
OPEB	385,892	71,628	—	457,520	—
Arbitrage rebates	343,545	1,525,385	—	1,868,930	—
General obligation bonds	32,200,000	7,725,000	7,110,000	32,815,000	7,065,000
Certificates of obligation	126,075,000	18,520,000	14,530,000	130,065,000	6,185,000
Premiums	8,732,815	2,439,625	1,909,358	9,263,082	—
Discounts	(292,182)	(47,788)	(28,082)	(311,888)	—
Total business-type activities	177,689,810	31,911,077	25,977,105	183,623,782	14,640,533
Total primary government	$ 1,181,591,246	$ 227,112,553	$ 125,347,106	$ 1,283,356,693	$ 86,409,052

Component Units	Balance 10/1/2023	Increases	Decreases	Balance 9/30/2024	Amounts due within one year
Compensated absences	$ 265,611	$ 169,530	$ 96,627	$ 338,514	$ 144,908
Leases	26,317	—	8,019	18,298	8,285
Pensions	1,314,015	—	173,618	1,140,397	—
OPEB	70,162	13,025	—	83,187	—
Pollution Remediation Obligation	39,641,361	—	4,920,019	34,721,342	—
Sales tax revenue bonds	77,785,000	—	5,945,000	71,840,000	6,110,000
Notes payable – City	110,000	—	110,000	—	—
Premiums	630,979	—	154,158	476,821	—
Discounts	(46,537)	—	(5,543)	(40,994)	—
Total component units	$ 119,796,908	$ 182,555	$ 11,401,898	$ 108,577,565	$ 6,263,193

Debt service requirements of the general obligation bonds and certificates of obligation for the governmental activities for the years subsequent to September 30, 2024, are as follows:

Fiscal Year Ending September 30	Principal Requirements	Interest Requirements	Total Requirements
2025	$ 59,425,000	$ 37,432,912	$ 96,857,912
2026	54,620,000	34,678,357	89,298,357
2027	52,990,000	32,213,634	85,203,634
2028	52,380,000	29,778,588	82,158,588
2029	52,990,000	27,372,555	80,362,555
2030-2034	292,200,000	100,584,328	392,784,328
2035-2039	258,120,000	46,056,350	304,176,350
2040-2044	124,795,000	10,262,088	135,057,088
Total	947,520,000	318,378,812	1,265,898,812
Plus: Unamortized bond premium	41,301,281	—	41,301,281
Less: Unamortized bond discount	(1,219,995)	—	(1,219,995)
Net debt service requirements	$ 987,601,286	$ 318,378,812	$1,305,980,098

Debt service requirements of the general obligation bonds and certificates of obligation for the business-type activities for the years subsequent to September 30, 2024, are as follows:

Fiscal Year Ending September 30	Principal Requirements	Interest Requirements	Total Requirements
2025	$ 13,250,000	$ 6,242,151	$ 19,492,151
2026	12,835,000	5,600,813	18,435,813
2027	11,765,000	5,029,913	16,794,913
2028	9,050,000	4,555,841	13,605,841
2029	9,475,000	4,137,206	13,612,206
2030-2034	51,990,000	14,259,744	66,249,744
2035-2039	38,000,000	5,854,878	43,854,878
2040-2044	16,515,000	1,202,375	17,717,375
Total	162,880,000	46,882,921	209,762,921
Plus: Unamortized bond premium	9,263,082	—	9,263,082
Less: Unamortized bond discount	(311,888)	—	(311,888)
Net debt service requirements	$ 171,831,194	$ 46,882,921	$ 218,714,115

Debt service requirements of the revenue bonds and notes payable for the Community Development Corporation component unit for the years subsequent to September 30, 2024, are as follows:

Fiscal Year Ending September 30	Principal Requirements	Interest Requirements	Total Requirements
2025	$ 3,340,000	$ 1,474,471	$ 4,814,471
2026	3,445,000	1,374,185	4,819,185
2027	3,555,000	1,264,182	4,819,182
2028	3,690,000	1,145,066	4,835,066
2029	3,835,000	1,017,847	4,852,847
2030-2034	17,765,000	3,091,166	20,856,166
2035-2037	8,025,000	495,338	8,520,338
Total	43,655,000	9,862,255	53,517,255
Plus: Unamortized bond premium	476,821	—	476,821
Less: Unamortized bond discount	(40,994)	—	(40,994)
Net debt service requirements	$ 44,090,827	$ 9,862,255	$ 53,953,082

The following is a summary of pledged revenues for the Community Development Corporation for the year ended September 30, 2024:

Revenue Pledged	Total Revenue Pledged	Current Year Debt Service Requirements	Percentage Portion of Pledged Revenue Stream	Remaining Principal and Interest	Period Revenue will not be Available for Other Purposes
.5% Sales and use tax	$34,929,072	$4,810,902	13.8%	$53,517,255	Until 2037

Debt service requirements of the revenue bonds and notes payable for the Economic Development Corporation component unit for the years subsequent to September 30, 2024, are as follows:

Fiscal Year Ending September 30	Principal Requirements	Interest Requirements	Total Requirements
2025	$ 2,770,000	$ 804,731	$ 3,574,731
2026	2,840,000	737,991	3,577,991
2027	2,920,000	664,604	3,584,604
2028	3,015,000	584,880	3,599,880
2029	3,120,000	498,628	3,618,628
2030-2034	13,520,000	1,063,319	14,583,319
Total	28,185,000	4,354,153	32,539,153
Debt service requirements	$ 28,185,000	$ 4,354,153	$ 32,539,153

The following is a summary of pledged revenues for the Economic Development Corporation for the year ended September 30, 2024:

Revenue Pledged	Total Revenue Pledged	Current Year Debt Service Requirements	Percentage Portion of Pledged Revenue Stream	Remaining Principal and Interest	Period Revenue will not be Available for Other Purposes
.5% Sales and use tax	$34,929,072	$3,563,700	10.2%	$32,539,153	Until 2034

In 2021, the City entered into a development agreement for the construction of major roadways within the boundaries of TIRZ #7. The developer is required to construct the roadway improvements to the City's minimum design and construction standards. Should the developer constructs improvements in excess of these standards, these enhancement costs are eligible to be paid to the developer only after the City debt service associated with these improvements are satisfied. Upon the satisfaction of these obligations, the developer would then be eligible to receive reimbursement on interest costs incurred by the developer. The interest is capped at 4%. To date, the amount the developer has exceeded construction standards plus eligible interest reimbursements is approximately $17.3 million. This liability is listed as a developer payable on the City's government-wide statements.

The City has entered into multiple lease agreements as lessee. The leases allow the right-to-use of buildings and equipment over the term of the lease. The City is required to make periodic payments at its incremental borrowing rate or the interest rate stated or implied within the leases. As of 9/30/24, the City and FEDC have 18 active leases with interest rates that range from 0.45% to 3.59% and terms between 2 and 18 years. The City has also entered into multiple Subscription-Based Information Technology Arrangements (SBITAs). These agreements allow the right-to-use of subscription assets. The interest rate, term and ending lease and SBITA liability are as follows:

	Balance 10/1/23	Increases	Decreases	Ending Balance
Governmental Activities:				
Buildings	$ 284,424	$ —	$ 102,046	$ 182,378
Equipment	435,897	90,630	114,211	412,316
SBITAs	929,873	4,491,595	1,719,193	3,702,275
Total governmental activities				$ 4,296,969
Business-type activities:				
Equipment	$ 55,519	$ —	$ 22,710	32,809
SBITAs	90,768	25,981	116,749	—
Total business-type activities				$ 32,809
Component units:				
Equipment	26,317	—	8,019	18,298
Total component units				$ 18,298

Annual requirements to amortize leases payable for the governmental activities for the years subsequent to September 30, 2024, are as follows:

Fiscal Year Ending September 30	Principal Requirements	Interest Requirements	Total Requirements
2025	$ 193,616	$ 9,730	$ 203,346
2026	144,292	6,538	150,830
2027	71,394	4,549	75,943
2028	26,761	3,577	30,338
2029	11,827	3,173	15,000
2030-2034	62,781	12,219	75,000
2035-2039	69,316	5,979	75,295
2040	14,707	294	15,001
Total	$ 594,694	$ 46,059	$ 640,753

Annual requirements to amortize leases payable for the business-type activities for the years subsequent to September 30, 2024, are as follows:

Fiscal Year Ending September 30	Principal Requirements	Interest Requirements	Total Requirements
2025	$ 23,081	$ 361	$ 23,442
2026	9,728	40	9,768
Total	$ 32,809	$ 401	$ 33,210

Annual requirements to amortize leases payable for the Economic Development Corporation component unit for the years subsequent to September 30, 2024, are as follows:

Fiscal Year Ending September 30	Principal Requirements	Interest Requirements	Total Requirements
2025	$ 8,285	$ 475	$ 8,760
2026	8,560	200	8,760
2027	1,453	6	1,459
Total	$ 18,298	$ 681	$ 18,979

Annual requirements to amortize SBITAs payable for the governmental activities for the years subsequent to September 30, 2024, are as follows:

Fiscal Year Ending September 30	Principal Requirements	Interest Requirements	Total Requirements
2025	$ 1,591,152	$ 118,429	$ 1,709,581
2026	1,410,170	69,963	1,480,133
2027	400,433	22,003	422,436
2028	300,520	9,590	310,110
Total	$ 3,702,275	$ 219,985	$ 3,922,260

Note 9. Tax Abatements

The City enters into economic development agreements designed to promote development and redevelopment within the City, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic vitality of Frisco. This program rebates property and sales & use taxes and is authorized under Chapter 380 of the Texas Local Government Code.

The various agreements are detailed below that rebate a percentage of various taxes including property, sales & use taxes, mix beverage taxes, and hotel occupancy taxes. Agreements for rebate of property taxes generally call for rebates of 50% of taxes on incremental values for usually up to 10 years. The agreements for sales & use taxes provide for a rebate of .50% to .85% of the City 1% taxes on incremental values for usually up to 10 years, with the maximum being 25 years. For fiscal year 2024, the City rebated property taxes of $1,992,511, sales and use taxes of $6,665,932, and mixed-beverage and hotel occupancy taxes of $4,072,081.

Office Development Agreements
To promote economic development and diversity, increase employment, reduce unemployment and underemployment, expand commerce, and stimulate business and commercial activity in the State of Texas, Collin County, Denton County and the City of Frisco, Texas, the City agreed to pay ad valorem tax grants to certain developers. These grants require the construction of minimum square feet of office space and obtaining certificates of occupancy within a specified time period, all of which have been met during the 2024 fiscal year.

An agreement was executed in November 2016 for an office building and parking garage. The City pays fifty percent (50%) of the ad valorem taxes actually collected by the City that are directly associated with the increase in value in excess of the base year value up to a maximum of $11,000,000 or 23 years. $259,877 was earned during the current year of this grant.

Retail Development Agreements
To promote economic development and diversity, increase employment, reduce unemployment and underemployment, expand commerce, and stimulate business and commercial activity in the State of Texas, Collin County, Denton County and the City of Frisco, Texas, the City agreed to pay sales tax grants to certain developers. These grants require the construction of minimum square feet of retail space and obtaining certificates of occupancy for certain major retailers within a specified time period, all of which have been met during the 2024 fiscal year.

An agreement was executed in January 2011 for approximately 140,000 square feet of retail space which opened in October 2011. The City pays the lesser of fifty percent (50%) or $70,000 of ad valorem taxes actually collected by the City for 10 years following the initial sales tax grant which ended in November of 2020. The City paid $70,000 during the current year of this grant

An agreement was executed in May 2013 for a retail sales center. The City pays eighty-five percent of one percent (.85%) of all retail sales generated for a period of twenty-five years. The City paid $1,823,103 during the current year of this grant.

An agreement was executed with the owner of an entertainment venue in April 2013. This agreement includes a 50% rebate of property taxes for 10 years and one-half of one percent of sales and use taxes (0.50%) for five years. The City paid $8,051 during the current year of the grant.

An agreement was executed in June 2014 with a residential builder for a ten-year period. Payments will be calculated based on eighty percent (.80%) of the City's one percent of use tax levied on housing materials purchased. The City paid $17,851 during the current year of this grant.

An agreement was executed in August 2015 with a residential builder for a ten-year period. Payments will be calculated based on eighty percent (.80%) of the City's one percent of use tax levied on housing materials purchased. The City paid $50,542 during the current year of this grant.

An agreement was executed in November 2015 for an entertainment and retail center. The City pays fifty percent (50%) of the ad valorem taxes actually collected by the City that are directly associated with the increase in value in excess of the base year value up to a maximum of $60,000,000 or 24 years and one-half of one percent of sales and use taxes (0.50%) for five years. $1,243,678 was earned during the current year of this grant.

An agreement was executed in October 2016 for a retail sales center. The City pays one half percent (0.5%) of retail sales generated for a period of ten years. The City paid $175,601 during the current year of this grant.

An agreement was executed in August 2017 for a retail sales center. The City pays seventy-five percent of one percent (.75%) of all retail sales over a certain dollar amount generated for a period of twenty-five years. The City paid $2,988,282 for the current year of this grant.

An agreement was executed in December 2018 for a mixed-use development with a hotel facility. The City pays one-hundred percent (1%) of sales tax for 10 years then fifty percent (.50%) for five years, one-hundred percent (100%) of hotel occupancy and mixed beverage tax for ten years then seventy percent (70%) of hotel occupancy tax for five years, and seventy-five percent (75%) of ad valorem for ten years then fifty percent (50%) for ten years. $5,768,213 was earned during the current year of this grant.

An agreement was executed in February 2019 for a retail sales center. The City pays one half (0.5%) of one percent of sales tax for a period of ten years and fifty percent (50%) of ad valorem taxes actually collected by the City. The City paid $131,985 for the current year of this grant.

An agreement was executed in May 2019 for a retail sales center. The City pays one half (0.5%) of one percent of sales tax for a period of ten years. The City paid $193,340 for the current year of this grant.

Note 10. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457(b). The plan is administered by Mission Square Retirement and is classified as a pension plan under the provisions of GASB 97. All assets and income are held in trust for the exclusive benefit of participants and their beneficiaries, and the City does have limited fiduciary responsibilities over the plan offerings and design; this plan is not reported in the financial statements of the City.

The plan, available to all full-time City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The City does not make contributions to the plan.

Note 11. Defined Benefit Pension Plan

Plan Description
The City of Frisco, including the Frisco Economic Development Corporation (FEDC) a discretely presented component unit, participates as one of over 900 plans in the defined benefit cash balance pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide, public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of the TMRS with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.tmrs.com.

All eligible employees of the City and FEDC are required to participate in TMRS.

Benefits Provided
TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

Members can retire at ages 60 and above with five or more years of service or with 20 years of service regardless of age. A member is vested after five years. The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes. A summary of plan provisions for the City are as follows:

Employee deposit rate: 7%
Matching ratio (City to employee): 2 to 1
Years required for vesting: 5
Service retirement eligibility: 60/5, 0/20
Updated Service Credit: 100%
Annuity Increase to retirees: 70% of CPI Repeating

Employees Covered by Benefits Terms
At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	341
Inactive employees entitled to but not yet receiving benefits	726
Active employees	1,361
Total	2,428

Contributions
The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150% or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarial determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of Frisco and FEDC were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 14.12% and 14.54% in calendar years 2023 and 2024, respectively. The City's and FEDC's contributions to TMRS for the year ended September 30, 2024 were $19,239,425 and were equal to the required contributions.

Net Pension Liability
The City's Net Pension Liability (NPL) was measured as of December 31, 2023, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions
The Total Pension Liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with 110% of the Public Safety table used for males and 100% of the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018 to December 31, 2022. The assumptions were adopted in 2023 and first used in the December 31, 2023, actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income to satisfy the short term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined by best estimate ranges of expected returns for each major asset class. The long-term expected rate of return is determined by weighting the expected return for each major asset class by the respective target asset allocation percentage. The target allocation and best estimates of the expected return for each major asset class in fiscal year 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.00%	6.7%
Core Fixed Income	6.00%	4.7%
Non-Core Fixed Income	20.00%	8.0%
Other Public and Private Markets	12.00%	8.0%
Real Estate	12.00%	7.6%
Hedge Funds	5.00%	6.4%
Private Equity	10.00%	11.6%
	100%	

Discount Rate
The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions and employer contributions

will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances, beginning of year	$ 415,026,078	$ 349,325,307	$ 65,700,771
Changes for the year:			
Service cost	23,028,837	—	23,028,837
Interest	28,463,269	—	28,463,269
Difference between expected and actual experience	6,078,660	—	6,078,660
Changes in assumptions	448,256	—	448,256
Contributions-employer	—	17,613,608	(17,613,608)
Contributions-employee	—	8,734,633	(8,734,633)
Net investment income	—	40,610,685	(40,610,685)
Benefit payments, including refunds of employee contributions	(9,724,861)	(9,724,861)	—
Administrative expense	—	(257,209)	257,209
Other changes	—	(1,797)	1,797
Net changes	48,294,161	56,975,059	(8,680,898)
Balances, end of year	$ 463,320,239	$ 406,300,366	$ 57,019,873

Changes in the Net Pension Liability of the City & FEDC

	City	FEDC	Totals
Balances, beginning of year	$ 64,386,756	$ 1,314,015	$ 65,700,771
Changes for the year:			
Service cost	22,568,259	460,578	23,028,837
Interest	27,894,004	569,265	28,463,269
Difference between expected and actual experience	5,957,087	121,573	6,078,660
Changes in assumptions	439,291	8,965	448,256
Contributions-employer	(17,261,336)	(352,272)	(17,613,608)
Contributions-employee	(8,559,940)	(174,693)	(8,734,633)
Net investment income	(39,798,471)	(812,214)	(40,610,685)
Administrative expense	252,065	5,144	257,209
Other changes	1,761	36	1,797
Net changes	(8,507,280)	(173,618)	(8,680,898)
Balances, end of year	$ 55,879,476	$ 1,140,397	$ 57,019,873

Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate

The following presents the net pension liability/(asset) of the City and FEDC, calculated using the discount rate of 6.75%, as well as what the City's and FEDC's net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
City's Net Pension Liability/(Asset)	$ 131,140,955	$ 55,879,476	$ (5,165,342)
FEDC Net Pension Liability/(Asset)	2,676,346	1,140,397	(105,415)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately issued TMRS financial report. The report may be obtained online at www.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2024, the City and FEDC recognized pension expense of $20,003,672; $19,603,599 for the City and $400,073 for the FEDC.

At September 30, 2024, the City and FEDC reported deferred outflows and inflows of resources related to pensions from the following sources:

Deferred Outflows and Inflows - City

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 7,682,755	$ 1,526,287
Changes of assumptions	573,654	—
Net difference between projected and actual earnings on pension plan investments	8,419,797	—
Contributions subsequent to the measurement date	14,578,229	—
Total	$ 31,254,435	$ 1,526,287

Deferred Outflows and Inflows - FEDC

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 156,790	$ 31,149
Changes of assumptions	11,707	—
Net difference between projected and actual earnings on pension plan investments	171,833	—
Contributions subsequent to the measurement date	297,515	—
Total	$ 637,845	$ 31,149

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of $14,578,229 for the City and $297,515 contributed for the FEDC, will be recognized as a reduction of the net pension liability for measurement year ending December 31, 2024 (i.e. recognized in the City's and FEDC's financial statements September 30, 2025). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	City	FEDC	Total
2025	$ 3,926,818	$ 80,138	$ 4,006,956
2026	4,117,063	84,022	4,201,085
2027	7,649,301	156,108	7,805,409
2028	(1,922,919)	(39,243)	(1,962,162)
2029	1,193,358	24,354	1,217,712
Thereafter	186,298	3,802	190,100
Total	$ 15,149,919	$ 309,181	$ 15,459,100

Allocation of Pension Items
Pension items are allocated between the City's governmental activities, City's business-type activities, and the FEDC on the basis of employee payroll funding. For the City's governmental activities, the net pension liability is liquidated by the General Fund and Hotel/Motel Tax Fund. For the City's business-type activities, the net pension liability is liquidated by the Water & Sewer Fund, Stormwater Drainage Fund, and Environmental Services Fund.

Note 12. Other Postemployment Benefits

Plans Descriptions
The City and FEDC provide a single-employer postemployment health insurance plan that retirees can purchase through age 65, but they are responsible for 100% of the premium costs and this plan is not part of the City's active employee plan. The City incurs no cost for providing these benefits, as retirees are included in a separate risk pool, however, there is an implicit rate subsidy and the City and FEDC have a measurable OPEB liability, which is accounted for in the OPEB liability.

The City and FEDC also participate in a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF) administered by the Texas Municipal Retirement System (TMRS). The City has elected, by ordinance, to participate in this program and provide group-term life insurance coverage for their active members and retirees. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be a single-employer unfunded OPEB plan under paragraph 4, item (b) of GASB Statement No. 75. The City's OPEB plan does not issue separate financial statements.

Benefits
The City offers its retired employees and their spouses under age 65 health insurance coverage under the separate plan from the active employees. Employees can retire and receive benefits upon reaching age 60 with five years of service or with 20 years of service. Only pre-Medicare benefits are provided. Spouses receive benefits based on their Medicare eligibility age.

TMRS provides death benefits for active employees providing a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12–month period preceding the month of death). The death benefit for retirees is considered other postemployment benefit (OPEB) and is a fixed amount of $7,500.

Employees Covered by Benefit Terms
For retiree health insurance at the September 30, 2024 measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	15
Active employees	1,339
Total	1,354

For TMRS supplemental death at the December 31, 2023 measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	260
Inactive employees entitled to but not yet receiving benefits	179
Active employees	1,361
Total	1,800

Benefit Payments
For retiree health insurance, retirees and their spouses currently receiving benefits are required to pay specified amounts monthly toward the cost of health insurance premiums.

Monthly retiree premium rates are as follows:

Retiree Premiums	Retiree	Retiree + Spouse
EPO High Deductible	$ 1,040	$ 2,010
EPO Low Deductible	$ 1,183	$ 2,262

The City and FEDC submit benefit payments to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefits for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers.

Benefit payments are made monthly based on the covered payroll of the city. The contractually required benefit payment rate is determined annually for the City and FEDC. The rate is based on mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the City and FEDC. There is a one-year delay between the actuarial valuation that serves as the basis for the employer benefit payment rate and the calendar year when the rate goes into effect. The funding policy of this plan is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The retiree portion of the benefit payment rates to the SDBF for the City and FEDC were 0.03% and 0.03% in calendar years 2023 and 2024, respectively. The

City's and FEDC's benefit payments to the SDBF for the year ended September 30, 2024 were $12,215 and were equal to the required benefit payments.

Total OPEB Liability

The retiree health insurance total OPEB liability was measured as of September 30, 2024 and was determined by an actuarial valuation as of October 1, 2023.

The TMRS supplemental death total OPEB liability was measured as of December 31, 2023 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The retiree health insurance total OPEB liability in the October 1, 2023 actuarial valuation was determined using the following actuarial assumptions:

Discount rate	4.06% (4.87% in prior year)
Mortality table	Pub-2010 Safety and General Mortality Tables, weighted by headcount, projected with scale MP-2021
Salary scale	Graded scale based on age and participant group
Plan participation rates	0% for retirements prior to age 50
	5% for retirements between ages 50-59
	25% for retirements at ages 60 and later
Healthcare cost trend rate	
Current rate (medical/Rx)	5.50% / 9.50%
Ultimate rate (medical/Rx)	4.70% / 4.70%
Year ultimate is reached (medical/Rx)	2029 / 2032

The discount rate was selected by City of Frisco based on the Bond Buyer 20-Bond General Obligation Index to reflect yields on long-term municipal bonds as of the measurement date.

The TMRS supplemental death total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Salary increases	3.60% to 11.85% including inflation
Discount rate*	3.77% (4.05% in prior year)
Retirees' share of benefit-related costs	$0
Administrative expense	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates – service retirees	2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Mortality rates – disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set forward for males and a 3 year set-forward for females. In addition, a 3.5% and a 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor.

*The discount rate was based on the Fidelity index's "20-Year Municipal GO AA Index" rate as of December, 31 2023.

Changes in Total OPEB Liability Retiree Health Insurance	City	FEDC	Totals
Balance, beginning of year	$ 1,547,557	$ 31,583	$ 1,579,140
Changes for the year:			
Service cost	113,584	2,318	115,902
Interest on the total OPEB liability	74,714	1,525	76,239
Difference between expected and actual experience	(88,238)	(1,801)	(90,039)
Changes in assumptions or other inputs	353,035	7,205	360,240
Benefit payments	(78,412)	(1,600)	(80,012)
Net changes	374,683	7,647	382,330
Balance, end of year	$ 1,922,240	$ 39,230	$ 1,961,470

Changes in Total OPEB Liability TMRS Supplemental Death	City	FEDC	Totals
Balance, beginning of year	$ 1,890,402	$ 38,580	$ 1,928,982
Changes for the year:			
Service cost	134,408	2,743	137,151
Interest on the total OPEB liability	78,541	1,603	80,144
Difference between expected and actual experience	(23,274)	(475)	(23,749)
Changes in assumptions or other inputs	110,430	2,254	112,684
Benefit payments **	(36,657)	(748)	(37,405)
Net changes	263,448	5,377	268,825
Balance, end of year	$ 2,153,850	$ 43,957	$ 2,197,807

**Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Sensitivity of the Total OPEB Liability to changes in the discount rate.
The following presents the total OPEB liability of the City's and FEDC's retiree health insurance calculated using the discount rate of 4.06%, as well as what the City's and FEDC's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.06%) or 1 percentage point higher (5.06%) than the current discount rate:

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
City's OPEB	$ 2,116,225	$ 1,922,240	$ 1,745,808
FEDC's OPEB	43,188	39,230	35,629

The following presents the total OPEB liability of the City's and FEDC's TMRS supplemental plan calculated using the discount rate of 3.77%, as well as what the City's and FEDC's total OPEB liability

would be if it were calculated using a discount rate that is 1 percentage point lower (2.77%) or 1 percentage point higher (4.77%) than the current discount rate:

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
City's OPEB	$ 2,663,145	$ 2,153,850	$ 1,765,673
FEDC's OPEB	54,350	43,957	36,034

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate.
The following presents the total OPEB liability of the City and FEDC retiree health insurance, as well as what the City's and FEDC's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate.

	1% Decrease	Current Healthcare Rate	1% Increase
City's OPEB	$ 1,672,121	$ 1,922,240	$ 2,219,955
FEDC's OPEB	$ 34,125	$ 39,230	$ 45,305

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
For the year ended September 30, 2024, the City recognized OPEB expense of $162,654 for TMRS Supplemental Death and $(348,695) for Retiree Health Insurance, $(186,041) aggregated. The FEDC also recognized OPEB expense of $3,319 for TMRS Supplemental Death and $(7,116) for Retiree Health Insurance, $(3,797) aggregated. At September 30, 2024, the City and FEDC reported deferred outflows and inflows of resources related to OPEB from the following resources:

Retiree Health Insurance

Deferred Outflows and Inflows - City

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 172,780	$ 1,465,443
Changes of assumptions	569,364	928,492
Total	$ 742,144	$ 2,393,935

Deferred Outflows and Inflows - FEDC

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,526	$ 29,906
Changes of assumptions	11,620	18,949
Total	$ 15,146	$ 48,855

TMRS Supplemental Death

Deferred Outflows and Inflows - City

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 64,435	$ 166,734
Changes of assumptions	578,565	969,847
Benefit payments subsequent to the measurement date	10,026	—
Total	$ 653,026	$ 1,136,581

Deferred Outflows and Inflows - FEDC

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,315	$ 3,403
Changes of assumptions	11,807	19,792
Benefit payments subsequent to the measurement date	205	—
Total	$ 13,327	$ 23,195

Deferred outflows of resources related to OPEB resulting from benefit payments subsequent to the measurement date of $10,231 will be recognized as a reduction of the total OPEB liability in the City and FEDC's financial statements as of September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Retiree Health Insurance

Fiscal Year	City	FEDC	Total
2025	$ (530,604)	$ (10,827)	$ (541,431)
2026	(522,987)	(10,673)	(533,660)
2027	(486,455)	(9,928)	(496,383)
2028	(48,648)	(993)	(49,641)
2029	(70,739)	(1,444)	(72,183)
Thereafter	7,642	156	7,798
Total	$ (1,651,791)	$ (33,709)	$ (1,685,500)

TMRS Supplemental Death

Fiscal Year	City	FEDC	Total
2025	$ (50,296)	$ (1,027)	$ (51,323)
2026	(50,296)	(1,026)	(51,322)
2027	(64,972)	(1,326)	(66,298)
2028	(63,812)	(1,302)	(65,114)
2029	(85,554)	(1,746)	(87,300)
Thereafter	(178,651)	(3,646)	(182,297)
Total	$ (493,581)	$ (10,073)	$ (503,654)

Allocation of OPEB Items

OPEB items are allocated between the City's governmental activities, City's business-type activities, and the FEDC on the basis of employee payroll funding. For the City's governmental activities, the total OPEB liability is liquidated by the General Fund and Hotel/Motel Tax Fund. For the City's business-type activities, the total OPEB liability is liquidated by the Water & Sewer Fund, Stormwater Drainage Fund, and Environmental Services Fund.

Note 13. Risk Management

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City is a participant in the Texas Municipal League Workers' Compensation Joint Insurance Fund (WC Fund) and the Texas Municipal League Joint Self-Insurance Fund (Property-Liability Fund), a public entity risk pool operated by the Texas Municipal League Board for the benefit of individual governmental units located within Texas. The government pays an annual premium to the Funds for its workers' compensation and property and liability insurance coverage. The WC Fund and Property-Liability Fund are considered self-sustaining risk pools that provide coverage for its members for up to $1,000,000 per event, and $2,000,000 in aggregate. There were no significant reductions in insurance coverage from the previous year. Settled claims for risk have not exceeded insurance coverage for the past three years.

During FY24, the City participated in a modified self-insurance program for Employee Benefits. Group medical benefits were administered by a third-party insurance provider. The City offers two plans with payroll deductions set aside to cover the monthly claims. The annually negotiated stop loss provision for 2024 was $250,000 per occurrence and 125% cap of claims.

The liabilities for insurance claims reported are based on GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These liabilities include an estimate for incurred but not reported claims. The estimated claims incurred but not reported as of September 30, 2024 totaled $3,550,000, which are recorded as a liability in the General Fund accounts payable. Changes in the liability for the past three years:

Claim Year	Liability Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Liability End of Year
2022 - Health Insurance	2,750,000	21,608,694	21,308,694	3,050,000
2023 - Health Insurance	3,050,000	21,873,352	21,643,352	3,280,000
2024 - Health Insurance	3,280,000	22,263,297	21,993,297	3,550,000

Note 14. Interfund Receivables and Payables

All interfund receivables and payables are considered short-term and, at September 30, 2024, consisted of the following:

	Due From	
Due to	Nonmajor Governmental	Total
Capital Projects	$ 78,417	$ 78,417
Total	$ 78,417	$ 78,417

All balances resulted from the time lag between the dates that transactions are recorded in the accounting system and that payments between funds are made.

The City reports interfund transfers between many of its funds. The sum of all transfers presented in the table agrees with the sum of interfund transfers presented in the governmental and proprietary fund financial statements.

Transfers From

Transfers to	General Fund	TIRZ #1	Capital Projects	Nonmajor Governmental	Major & Nonmajor Proprietary	Total
General Fund	$ —	$ —	$ 100,000	$ 334,000	$ 5,990,527	$ 6,424,527
TIRZ #1	—	—	—	535,036	—	535,036
Capital projects	56,609	—	—	15,476,978	916,062	16,449,649
Debt service	—	18,085,429	—	6,633,421	—	24,718,850
Nonmajor Governmental	380,618	—	2,249,196	—	—	2,629,814
Major & Nonmajor Proprietary	—	—	3,432,889	—	555,533	3,988,422
Total	$ 437,227	$ 18,085,429	$ 5,782,085	$ 22,979,435	$ 7,462,122	$ 54,746,298

Transfer from fund	Transfer to fund	Amount
General Fund:		
Grant matching funds	Grants	380,618
Capital outlay funding	Capital Projects	56,609
TIRZ #1 Fund:		
Debt service funding requirements	Debt Service	18,085,429
Capital Projects Fund:		
Capital outlay funding	General Fund	100,000
Capital outlay funding	TIRZ #7	2,249,196
Capital outlay funding	Water & Sewer Fund	3,432,889
Nonmajor Governmental Funds:		
G&A for Special revenue funds	General Fund	334,000
Debt service funding requirements	TIRZ #1	535,036
Debt service funding requirements	Debt Service	6,633,421
Capital outlay funding	Capital Projects	15,476,978
Proprietary Funds:		
G&A for Water & Sewer	General Fund	4,675,658
G&A for Environmental Services	General Fund	1,214,869
G&A for Stormwater Drainage	General Fund	100,000
G&A Stormwater Drainage	Water & Sewer Fund	88,285
G&A Environmental Services	Water & Sewer Fund	467,248
Capital outlay funding	Capital Projects	916,062
Total		$ 54,746,298

Note 15. Contingent Liabilities

The City has participated in state and federally assisted grant programs. These programs are subject to program compliance audits and adjustments by the grantor agencies or their representatives. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

In June 2006, the North Texas Municipal Water District issued $35,235,000 in revenue bonds, series 2006. This bond issue is for the purpose of constructing the Panther Creek Wastewater System benefiting the City of Frisco. In March 2009, an additional $20,210,000 in revenue bonds, series 2009 was issued for expansion of the system. In 2014, an additional bond issue refunded a portion of the 2006 revenue bonds. In 2017, an additional bond issue refunded a portion of the 2009 revenue bonds. In May 2020, $5,200,000 in revenue bonds, series 2020, was issued for the design of the next expansion. The outstanding principal of the revenue bonds at September 30, 2024 is $15,345,000.

In 2015, the North Texas Municipal Water District issued bonds for the purpose of constructing the Stewart Creek West Regional Wastewater System. The outstanding principal of these bonds at September 30, 2024 is $42,310,000.

The City's contractual minimum payment is required to cover the full cost of service including the principal and interest payments incurred related to this debt. The City of Frisco is in full compliance with this agreement at September 30, 2024.

Monies Held in Escrow
The City collects and holds money from approved developer agreements and other private construction commitments assessed during the permitting process. The monies held in escrow are either refunded once the developer has completely fulfilled their commitment or applied to revenue to reimburse for the City's cost in completing the obligation.

Note 16. Litigation

The City is party to several legal actions arising in the ordinary course of business. In the opinion of the City's management, the City has adequate legal defense and/or insurance coverage regarding each of these actions and does not believe that they will materially affect the City's operations or financial position.

Note 17. Component Unit Pollution Remediation Obligations

In FY 2021, the FCDC purchased the former battery recycling plant site and took over full ownership and remediation. At that time, the FCDC had worked with Texas Commission on Environmental Quality (TCEQ), external consultants and City staff to define the original estimated cost of remediation at $25 million based on the level of pollution present. The City remeasured in FY 2022 and recorded a $39.6 million liability with estimates from the City's external consultants based on the expected capital outlay. In FY 2022, TCEQ deposited $25 million into a trust in the FCDC's name and dedicated to remediation. Future maintenance and operations will be funded by a $2 per cart, per month increase in garbage fees and a 2% increase in commercial fees. Any increases to remediation estimates will be funded by the FCDC. On January 3, 2024 TCEQ issued the FCDC a permit to begin the remediation. Work has begun

and is expected to be completed over the next six fiscal years. The remaining estimated liability as of September 30, 2024 is approximately $34.7 million.

Note 18. Subsequent Events

In November 2024, The Frisco Community Development Corporation issued $197,125,000 of Sales Tax Revenue Refunding Bonds, Taxable Series 2024 for the purpose of (i) acquiring, installing and constructing improvements, upgrades, remodeling, and renovations to the City's Toyota soccer stadium consisting of the ticketing building, concessions and restrooms, seating, roof shade and canopy, and upgrade of electronic message boards, signage, sound system and other electronic equipment, and other purposes permitted by law, (ii) funding a Debt Service Reserve Fund, and (iii) pay the costs of professional services including the costs of issuance of the Bonds.

On January 27, 2025 Office of Management and Budget (OMB) issued M 25-13, pausing all activities related to obligation or disbursement of all federal financial assistance with certain exceptions. The memo has since been rescinded. However, it is unclear whether future assistance could be at risk. The potential impacts of the executive orders on the organization's future federal financial assistance have not yet been evaluated.

REQUIRED SUPPLEMENTARY INFORMATION

City of Frisco

Schedule of Changes in the City's Net Pension Liability and Related Ratios
Texas Municipal Retirement System
Last 10 Years

	Measurement Year 2014	Measurement Year 2015	Measurement Year 2016	Measurement Year 2017	Measurement Year 2018
Total pension liability:					
Service cost	$ 9,985,109	$ 12,146,969	$ 13,533,172	$ 14,945,284	$ 16,288,615
Interest	10,863,498	12,134,224	13,102,946	14,856,079	16,872,785
Difference between expected and actual experience	(1,557,705)	(320,688)	1,645,340	3,176,149	1,087,595
Change in assumptions	—	(1,452,583)	—	—	—
Benefit payments, including refunds of employee contributions	(2,274,946)	(2,162,276)	(2,696,424)	(3,333,927)	(4,210,187)
Net change in total pension liability	$ 17,015,956	$ 20,345,646	$ 25,585,034	$ 29,643,585	$ 30,038,808
Total pension liability - beginning	$151,337,748	$168,353,704	$188,699,350	$214,284,384	$243,927,969
Total pension liability - ending (a)	$168,353,704	$188,699,350	$214,284,384	$243,927,969	$273,966,777
Plan fiduciary net position:					
Contributions - employer	$ 7,982,625	$ 9,779,163	$ 10,375,914	$ 11,609,557	$ 12,628,932
Contributions - employee	4,173,145	4,790,759	5,187,963	5,739,055	6,272,474
Net investment income	6,923,943	203,262	10,161,230	24,019,515	(6,331,968)
Benefit payments, including refunds of employee contributions	(2,274,946)	(2,162,276)	(2,696,424)	(3,333,927)	(4,210,187)
Administrative expense	(72,257)	(123,767)	(114,632)	(124,330)	(122,154)
Other	(5,941)	(6,113)	(6,176)	(6,302)	(6,380)
Net change in plan fiduciary net position	$ 16,726,569	$ 12,481,028	$ 22,907,875	$ 37,903,568	$ 8,230,717
Plan fiduciary net position - beginning	$120,981,617	$137,708,186	$150,189,214	$173,097,089	$211,000,657
Plan fiduciary net position - ending (b)	$137,708,186	$150,189,214	$173,097,089	$211,000,657	$219,231,374
Net pension liability - ending (a) - (b)	$ 30,645,518	$ 38,510,136	$ 41,187,295	$ 32,927,312	$ 54,735,403
Plan fiduciary net position as a percentage of total pension liability	81.80 %	79.59 %	80.78 %	86.50 %	80.02 %
Covered payroll	$ 59,616,360	$ 68,433,626	$ 74,113,757	$ 81,936,863	$ 89,252,684
Net pension liability as a percentage of covered payroll	51.40 %	56.27 %	55.57 %	40.19 %	61.33 %

Measurement Year 2019	Measurement Year 2020	Measurement Year 2021	Measurement Year 2022	Measurement Year 2023
$ 17,366,021	$ 18,245,043	$ 19,030,928	$ 21,098,272	$ 23,028,837
18,927,503	21,202,716	23,277,359	25,653,262	28,463,269
1,034,411	(3,100,440)	(346,369)	3,099,398	6,078,660
713,574	—	—	—	448,256
(4,484,667)	(5,063,651)	(6,945,983)	(8,648,076)	(9,724,861)
33,556,842	31,283,668	35,015,935	41,202,856	48,294,161
273,966,777	307,523,619	338,807,287	373,823,222	415,026,078
$307,523,619	$338,807,287	$373,823,222	$415,026,078	$463,320,239
$ 13,588,719	$ 13,926,984	$ 14,953,351	$ 16,331,343	$ 17,613,608
6,693,951	6,942,714	7,289,969	8,035,744	8,734,633
33,979,152	20,459,865	39,869,679	(26,361,983)	40,610,685
(4,484,667)	(5,063,651)	(6,945,983)	(8,648,076)	(9,724,861)
(191,510)	(132,032)	(183,937)	(227,352)	(257,209)
(5,754)	(5,152)	1,260	271,299	(1,797)
49,579,891	36,128,728	54,984,339	(10,599,025)	56,975,059
219,231,374	268,811,265	304,939,993	359,924,332	349,325,307
$268,811,265	$304,939,993	$359,924,332	$349,325,307	$406,300,366
$ 38,712,354	$ 33,867,294	$ 13,898,890	$ 65,700,771	$ 57,019,873
87.41 %	90.00 %	96.28 %	84.17 %	87.69 %
$ 95,627,868	$ 98,728,589	$103,036,970	$114,415,791	$124,682,386
40.48 %	34.30 %	13.49 %	57.42 %	45.73 %

City of Frisco

Schedule of City Contributions
Texas Municipal Retirement System
Last 10 Fiscal Years

	2015	2016	2017	2018	2019
Actuarially determined contribution	$ 9,034,646	$ 10,290,995	$ 11,367,240	$ 12,458,770	$ 13,445,761
Contributions in relation to the actuarially determined contribution	9,034,646	10,290,995	11,367,240	12,458,770	13,445,761
Contribution deficiency/(excess)	—	—	—	—	—
Covered payroll	$ 63,590,086	$ 64,421,645	$ 79,650,345	$ 87,320,494	$ 93,902,520
Contributions as a percentage of covered payroll	14.21 %	15.97 %	14.27 %	14.27 %	14.32 %

Notes to Schedule of City Contributions

Valuation Date:

Notes	Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	22 years
Asset valuation method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary increases	3.60% to 11.85% including inflation
Investment rate of return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110 % of Public Safety table used for males and the 100% General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Other information:	
Notes	There were no benefit changes during the year.

2020	2021	2022	2023	2024
$ 13,956,038	$ 14,757,433	$ 16,528,742	$ 17,512,729	$ 19,239,425
13,956,038	14,757,433	16,528,742	17,512,729	19,239,425
—	—	—	—	—
$ 98,020,196	$102,134,782	$114,746,860	$122,151,806	$132,760,472
14.24 %	14.45 %	14.40 %	14.34 %	14.49 %

City of Frisco

Schedule of Changes in the City's Total OPEB Liability and Related Ratios
TMRS Supplemental Death
Last 7 Years

	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020	Measurement Year 2021	Measurement Year 2022	Measurement Year 2023
Total OPEB liability:							
Service cost	$ 106,518	$ 133,879	$ 124,316	$ 177,711	$ 226,681	$ 263,156	$ 137,151
Interest	45,281	49,513	61,071	56,394	52,355	54,327	80,144
Differences between expected and actual experience	—	113,083	(179,892)	(72,166)	(43,921)	36,199	(23,749)
Change in assumptions	141,034	(132,188)	382,085	395,893	103,201	(1,234,240)	112,684
Benefit payments, including refunds of employee contributions	(8,194)	(8,925)	(9,563)	(9,873)	(20,607)	(22,883)	(37,405)
Net change in total OPEB liability	284,639	155,362	378,017	547,959	317,709	(903,441)	268,825
Total OPEB liability - beginning	1,148,737	1,433,376	1,588,738	1,966,755	2,514,714	2,832,423	1,928,982
Total OPEB liability - ending	$ 1,433,376	$ 1,588,738	$ 1,966,755	$ 2,514,714	$ 2,832,423	$ 1,928,982	$ 2,197,807
Covered-employee payroll	$ 81,936,863	$ 89,252,684	$ 95,627,868	$ 98,728,589	$103,036,970	$114,415,791	$124,682,386
Total OPEB liability as a percentage of covered-employee payroll	1.75 %	1.78 %	2.06 %	2.55 %	2.75 %	1.69 %	1.76 %

Valuation Date:	
Actuarial valuation date	December 31, 2023
Measurement date	December 31, 2023
Last experience study date	Period ending December 31, 2022
Methods and assumptions used to determine contribution rates:	
Inflation	2.50%
Salary increases	3.60% to 11.85% including inflation
Discount rate as of measurement date	3.77%
Retirees' share of benefit-related costs	$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements of GASB Statement No. 68.
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and a 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor.
Changes in discount rate	The discount rate changed from 4.05% in the prior year to 3.77%
Other Information:	
Notes	There were no benefit changes during the year.

Notes to Schedule:
Historical data not available - GASB 75 implemented in FY 2018.
No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits.

City of Frisco

Schedule of Changes in the City's Total OPEB Liability and Related Ratios

Retiree Health Insurance

Last 7 Years

	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020	Measurement Year 2021	Measurement Year 2022	Measurement Year 2023	Measurement Year 2024
Total OPEB liability:							
Service cost	$ 344,784	$ 336,696	$ 510,603	$ 187,028	$ 178,478	$ 116,171	$ 115,902
Interest	161,496	203,940	164,355	48,012	44,448	69,654	76,239
Differences between expected and actual experience	—	(835,941)	(2,475,354)	339,178	(170,346)	(285,656)	(90,039)
Change in assumptions	(156,560)	977,496	(1,446,062)	(58,906)	(581,187)	68,593	360,240
Benefit payments, including refunds of employee contributions	20,225	18,495	(125,394)	(107,418)	(23,546)	(38,260)	(80,012)
Net change in total OPEB liability	369,945	700,686	(3,371,852)	407,894	(552,153)	(69,498)	382,330
Total OPEB liability - beginning	4,094,118	4,464,063	5,164,749	1,792,897	2,200,791	1,648,638	1,579,140
Total OPEB liability - ending	$ 4,464,063	$ 5,164,749	$ 1,792,897	$ 2,200,791	$ 1,648,638	$ 1,579,140	$ 1,961,470
Covered-employee payroll	$ 89,564,242	$ 96,215,258	$ 99,251,317	$103,704,002	$116,674,082	$124,659,002	$135,369,751
Total OPEB liability as a percentage of covered-employee payroll	4.98 %	5.37 %	1.81 %	2.12 %	1.41 %	1.27 %	1.45 %

Valuation Date:

Actuarial valuation date	October 1, 2023
Measurement date	September 30, 2024
Last experience study date	September 30, 2021

Methods and assumptions used to determine contribution rates:

Discount rate as of measurement date	4.06%
Discount rate for OPEB expense	4.87%
Mortality table	Pub-2010 Safety and General headcount-weighted mortality tables, with generational projection according to Scale MP-2021
Salary scale	Graded scale based on age and participant group
Plan participation rates	0% for retirements prior to age 50, 5% for retirements between ages 50-59, 25% for retirements at ages 60 and later.
Changes in discount rate	The discount rate changed from 4.87% in the prior year to 4.06%
Healthcare trend rate:	
Current rate (medcial/Rx)	5.50% / 9.50%
Ultimate rate (medical/Rx)	4.70% / 4.70%
Year ultimate rate is reached (medical/Rx)	2029 / 2032
Other Information:	
Notes	There were no benefit changes during the year.

Notes to Schedule:
Historical data not available - GASB 75 implemented in FY 2018.
No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits.

FRISCO
PROGRESS IN MOTION

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

FRISCO
PROGRESS IN MOTION

BUDGET TO ACTUAL COMPARISON
MAJOR FUNDS

City of Frisco

Capital Projects Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual on a GAAP Basis	Adjustments-Budgetary Basis	Actual on a Budgetary Basis	Final Budget - Positive (Negative)
	Original	Final				
REVENUES						
Intergovernmental	$ —	$ 67,144,052	$ 513,079	$ —	$ 513,079	$ (66,630,973)
Charges for services	—	5,805,494	906,150	—	906,150	(4,899,344)
Investment earnings	—	22,234,532	22,546,222	—	22,546,222	311,690
Contributions, donations and grants	25,000,000	29,605,967	20,557,058	—	20,557,058	(9,048,909)
Payments from component units	27,502,000	23,775,412	8,240,635	—	8,240,635	(15,534,777)
Miscellaneous	—	1,000	—	—	—	(1,000)
Total revenues	52,502,000	148,566,457	52,763,144	—	52,763,144	(95,803,313)
EXPENDITURES						
Capital outlay	166,298,745	620,252,657	178,885,192	121,596,045	300,481,237	319,771,420
Debt service	1,000,000	1,200,000	3,318,485	—	3,318,485	(2,118,485)
Total expenditures	167,298,745	621,452,657	182,203,677	121,596,045	303,799,722	317,652,935
Deficiency of revenues under expenditures	(114,796,745)	(472,886,200)	(129,440,533)	(121,596,045)	(251,036,578)	221,849,622
OTHER FINANCING SOURCES (USES)						
Issuance of debt	93,680,000	126,828,493	127,850,000	—	127,850,000	1,021,507
Premium on bonds issued	—	11,701,285	11,701,285	—	11,701,285	—
Discount on bonds issued	—	(249,778)	(249,778)	—	(249,778)	—
Proceeds from sale of asset	—	—	—	—	—	—
Transfers in	19,161,945	54,807,503	16,449,649	—	16,449,649	(38,357,854)
Transfers out	—	(4,330,838)	(5,782,085)	—	(5,782,085)	(1,451,247)
Total other financing sources (uses)	112,841,945	188,756,665	149,969,071	—	149,969,071	(38,787,594)
Net change in fund balance	(1,954,800)	(284,129,535)	20,528,538	(121,596,045)	(101,067,507)	183,062,028
Fund balance, beginning	9,918,756	445,478,464	445,478,464	(73,189,937)	372,288,527	(73,189,937)
Fund balance, ending	$ 7,963,956	$ 161,348,929	$ 466,007,002	$ (194,785,982)	$ 271,221,020	$ 109,872,091

Adjustments to Revenues, Expenditures and Other Financing Sources and Uses From GAAP Basis to Budgetary Basis
For the Year Ended September 30, 2024

	Net Change in Fund Balance
GAAP basis	$ 20,528,538
Expenditures:	
Increase due to encumbrances from prior year	73,189,937
Decrease due to encumbrances from current year	(194,785,982)
Budgetary basis	$ (101,067,507)

City of Frisco
Debt Service Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts		Actual on a GAAP Basis	Adjustments-Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUES						
Taxes:						
Property	$ 61,305,450	$ 62,389,034	$ 62,170,084	$ —	$ 62,170,084	$ (218,950)
Investment earnings	100,000	1,241,439	1,161,988	—	1,161,988	(79,451)
Payments from component units	1,955,144	4,647,552	4,647,552	—	4,647,552	—
Total revenues	63,360,594	68,278,025	67,979,624	—	67,979,624	(298,401)
EXPENDITURES						
Debt service	86,967,191	86,967,191	89,430,097	—	89,430,097	(2,462,906)
Total expenditures	86,967,191	86,967,191	89,430,097	—	89,430,097	(2,462,906)
Deficiency of revenues under expenditures	(23,606,597)	(18,689,166)	(21,450,473)	—	(21,450,473)	(2,761,307)
OTHER FINANCING SOURCES (USES)						
Issuance of debt	—	—	11,190,000	—	11,190,000	11,190,000
Premium on bonds issued	—	—	1,045,728	—	1,045,728	1,045,728
Discount on bonds issued	—	—	—	—	—	—
Payment to refunded debt escrow agent	—	—	(12,435,273)	—	(12,435,273)	(12,435,273)
Transfers in	24,718,849	24,718,849	24,718,850	—	24,718,850	1
Total other financing sources (uses)	24,718,849	24,718,849	24,519,305	—	24,519,305	(199,544)
Net change in fund balance	1,112,252	6,029,683	3,068,832	—	3,068,832	(2,960,851)
Fund balance, beginning	6,243,717	6,946,350	6,946,350	—	6,946,350	—
Fund balance, ending	$ 7,355,969	$ 12,976,033	$ 10,015,182	$ —	$ 10,015,182	$ (2,960,851)

FRISCO
PROGRESS IN MOTION

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for certain purposes.

Hotel/Motel Tax Fund - This fund is used to account for revenues specifically restricted to encourage tourism, historical preservation and promote the City of Frisco.

Panther Creek Public Improvement District (PID) - This fund was established to account for assessments charged to property owners of the Panther Creek Estates.

Grants Fund - This fund is established to account for grants awarded to the City of Frisco in the governmental funds.

CDBG Fund - This fund was created to account for the Community Development Block Grant program revenues and expenditures.

Traffic Control Enforcement Fund - This fund was established to account for the automated red light enforcement system implemented by the City.

TIRZ #5 - This fund was established to account for the property taxes and sales taxes collected within the tax increment reinvestment zone #5.

TIRZ #6 - This fund was established to account for the property taxes and sales taxes collected within the tax increment reinvestment zone #6.

TIRZ #7 - This fund was established to account for the property taxes and sales taxes collected within the tax increment reinvestment zone #7.

Court Fees Fund - This fund was established to account for special fees collected in the Municipal Court including the technology fees, building security fees and court improvement fees.

PEG Cable Fund - This fund was established to account for franchise fees collected for the Public Educational & Governmental Television production.

Capital Projects Funds

Road Impact Fees Fund - This fund accounts for the collection of impact fees, which are transferred to the Capital Projects Fund or Debt Service Fund as needed to fund infrastructure.

Park Development Fees Fund - This fund accounts for the collection of park dedication fees, which are transferred to the Capital Projects Fund as needed to fund park development and infrastructure.

City of Frisco

Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2024

	Special Revenue				
	Hotel/Motel Tax	Panther Creek PID	Grants	CDBG	Traffic Control Enforcement
ASSETS					
Cash and cash equivalents	$ 14,807,267	$ 41,962	$ 4,657,758	$ —	$ 19,225
Investments	—	—	—	—	—
Receivables: (net of allowances for uncollectibles)					
Franchise tax	—	—	—	—	—
Occupancy tax	1,286,761	—	—	—	—
Grants	—	—	193,526	107,962	—
Other	6,017	—	—	—	—
Leases receivables	262,691	—	—	—	—
Prepaids	634,831	—	—	—	—
Total assets	16,997,567	41,962	4,851,284	107,962	19,225
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, FUND BALANCES					
Liabilities:					
Accounts payable	3,934,463	41,962	1,355	14,672	—
Accrued liabilities	51,147	—	—	—	—
Unearned revenue	—	—	4,849,929	14,873	—
Monies held in escrow	—	—	—	—	—
Due to other funds	—	—	—	78,417	—
Total liabilities	3,985,610	41,962	4,851,284	107,962	—
Deferred inflows of resources:					
Leases related	256,334	—	—	—	—
FUND BALANCES					
Nonspendable	641,188	—	—	—	—
Restricted	12,114,435	—	—	—	19,225
Total fund balances	12,755,623	—	—	—	19,225
Total liabilities and fund balances	$ 16,997,567	$ 41,962	$ 4,851,284	$ 107,962	$ 19,225

					Capital Projects		
TIRZ #5	TIRZ #6	TIRZ #7	Court Fees	PEG Cable	Road Impact Fees	Park Development Fees	Total Nonmajor Governmental Funds
$ 2,021,517	$ 765,844	$ 171,420	$ 164,928	$ 545,968	$ 18,864,116	$ 30,662,397	$ 72,722,402
—	—	—	—	1,081,383	19,922,120	8,406,731	29,410,234
—	—	—	—	40,293	—	—	40,293
—	—	—	—	—	—	—	1,286,761
—	—	—	—	—	—	—	301,488
—	—	—	—	1,056	181,614	13,818	202,505
—	—	—	—	—	—	—	262,691
—	—	—	—	—	—	—	634,831
$ 2,021,517	$ 765,844	$ 171,420	$ 164,928	$ 1,668,700	$ 38,967,850	$ 39,082,946	$ 104,861,205
—	—	—	5,797	—	810,621	90,198	4,899,068
—	—	—	—	—	—	—	51,147
—	—	—	—	—	—	—	4,864,802
—	—	—	—	—	8,538,384	—	8,538,384
—	—	—	—	—	—	—	78,417
—	—	—	5,797	—	9,349,005	90,198	18,431,818
—	—	—	—	—	—	—	256,334
—	—	—	—	—	—	—	641,188
2,021,517	765,844	171,420	159,131	1,668,700	29,618,845	38,992,748	85,531,865
2,021,517	765,844	171,420	159,131	1,668,700	29,618,845	38,992,748	86,173,053
$ 2,021,517	$ 765,844	$ 171,420	$ 164,928	$ 1,668,700	$ 38,967,850	$ 39,082,946	$ 104,861,205

City of Frisco

Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2024

	Special Revenue				
	Hotel/Motel Tax	Panther Creek PID	Grants	CDBG	Traffic Control Enforcement
REVENUES					
Property tax	$ —	$ —	$ —	$ —	$ —
Sales tax	—	—	—	—	—
Franchise tax	—	—	—	—	—
Hotel/motel tax	12,959,430	—	—	—	—
Special assessments	—	89,180	—	—	—
Fines	—	—	—	—	—
Intergovernmental	3,246,597	—	—	—	—
Contributions, donations and grants	—	—	996,779	385,339	—
Rents	5,996	—	—	—	—
Investment earnings	589,722	12,425	—	—	3
Payments from component units	—	—	—	—	—
Miscellaneous	90,223	—	—	1,610	—
Total revenues	16,891,968	101,605	996,779	386,949	3
EXPENDITURES					
Current:					
General government	—	—	76,681	386,949	—
Public safety	—	—	1,003,456	—	2,617
Public works	—	—	2,200	—	—
Culture and recreation	11,839,623	—	—	—	—
Capital outlay	43,944	—	310,812	—	—
Debt Service:					
Principal retirement	36,113	—	—	—	—
Interest and fiscal charges	111	—	—	—	—
Total expenditures	11,919,791	—	1,393,149	386,949	2,617
Excess (deficiency) of revenues over (under) expenditures	4,972,177	101,605	(396,370)	—	(2,614)
OTHER FINANCING SOURCES (USES)					
Lease financing	3,784	—	—	—	—
SBITA financing	—	—	—	—	—
Transfers in	—	—	396,370	—	—
Transfers out	(1,848,725)	(106,068)	—	—	—
Total other financing sources (uses)	(1,844,941)	(106,068)	396,370	—	—
Net change in fund balances	3,127,236	(4,463)	—	—	(2,614)
Fund balances, beginning	9,628,387	4,463	—	—	21,839
Fund balances, ending	$ 12,755,623	$ —	$ —	$ —	$ 19,225

					Capital Projects		
TIRZ #5	TIRZ #6	TIRZ #7	Court Fees	PEG Cable	Road Impact Fees	Park Development Fees	Total Nonmajor Governmental Funds
$ 1,496,535	$ 573,053	$ 153,342	$ —	$ —	$ —	$ —	$ 2,222,930
483,803	—	—	—	—	—	—	483,803
—	—	—	—	177,302	—	—	177,302
—	—	—	—	—	—	—	12,959,430
—	—	—	—	—	5,576,810	8,657,118	14,323,108
—	—	—	168,677	—	—	—	168,677
—	—	—	—	—	—	—	3,246,597
—	—	1,753,489	—	—	—	—	3,135,607
—	—	—	—	—	—	—	5,996
72,050	22,237	17,508	7,635	91,232	2,109,623	1,735,185	4,657,620
—	204,495	—	—	—	—	—	204,495
—	—	—	1,193	—	—	—	93,026
2,052,388	799,785	1,924,339	177,505	268,534	7,686,433	10,392,303	41,678,591
—	—	—	(77,043)	4,812	—	—	391,399
—	—	—	—	—	—	—	1,006,073
—	—	—	—	—	—	—	2,200
—	—	—	—	—	—	—	11,839,623
—	—	—	914,362	328,240	—	—	1,597,358
—	—	—	195,487	32,500	—	—	264,100
—	—	—	—	—	—	—	111
—	—	—	1,032,806	365,552	—	—	15,100,864
2,052,388	799,785	1,924,339	(855,301)	(97,018)	7,686,433	10,392,303	26,577,727
—	—	—	—	—	—	—	3,784
—	—	—	914,362	171,369	—	—	1,085,731
—	—	2,233,444	—	—	—	—	2,629,814
(1,272,235)	(204,495)	(3,986,933)	(84,000)	—	(15,031,072)	(445,907)	(22,979,435)
(1,272,235)	(204,495)	(1,753,489)	830,362	171,369	(15,031,072)	(445,907)	(19,260,106)
780,153	595,290	170,850	(24,939)	74,351	(7,344,639)	9,946,396	7,317,621
1,241,364	170,554	570	184,070	1,594,349	36,963,484	29,046,352	78,855,432
$ 2,021,517	$ 765,844	$ 171,420	$ 159,131	$ 1,668,700	$ 29,618,845	$ 38,992,748	$ 86,173,053

City of Frisco

Hotel/Motel Tax Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts					
	Original	Final	Actual on a GAAP Basis	Adjustments-Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES						
Taxes:						
Hotel/motel tax	$ 11,596,450	$ 12,806,438	$ 12,959,430	$ —	$ 12,959,430	$ 152,992
Intergovernmental	1,460,010	2,490,850	3,246,597	—	3,246,597	755,747
Rents	—	—	5,996	—	5,996	5,996
Investment earnings	120,000	514,622	589,722	—	589,722	75,100
Miscellaneous	42,125	37,149	90,223	—	90,223	53,074
Total revenues	13,218,585	15,849,059	16,891,968	—	16,891,968	1,042,909
EXPENDITURES						
Current:						
Culture and recreation	8,476,951	8,568,663	11,839,623	42,276	11,881,899	(3,313,236)
Capital outlay	—	—	43,944	—	43,944	(43,944)
Debt Service:						
Principal retirement	—	—	36,113	—	36,113	(36,113)
Interest and fiscal charges	—	—	111	—	111	(111)
Total expenditures	8,476,951	8,568,663	11,919,791	42,276	11,962,067	(3,393,404)
Excess (deficiency) of revenues over (under) expenditures	4,741,634	7,280,396	4,972,177	(42,276)	4,929,901	(2,350,495)
OTHER FINANCING USES						
Lease financing	—	—	3,784	—	3,784	3,784
Transfers out	(1,848,725)	(1,848,725)	(1,848,725)	—	(1,848,725)	—
Total other financing sources (uses)	(1,848,725)	(1,848,725)	(1,844,941)	—	(1,844,941)	3,784
Net change in fund balance	2,892,909	5,431,671	3,127,236	(42,276)	3,084,960	(2,346,711)
Fund balance, beginning	8,140,413	9,628,387	9,628,387	(45,154)	9,583,233	(45,154)
Fund balance, ending	$ 11,033,322	$ 15,060,058	$ 12,755,623	$ (87,430)	$ 12,668,193	$ (2,391,865)

Adjustments to Revenues, Expenditures and Other Financing Sources and Uses From GAAP Basis to Budgetary Basis
For the Year Ended September 30, 2024

	Net Change in Fund Balance
GAAP basis	3,127,236
Expenditures:	
Increase due to encumbrances from prior year	45,154
Decrease due to encumbrances for current year	(87,430)
Budgetary basis	$ 3,084,960

City of Frisco

Panther Creek PID Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts					
	Original	Final	Actual on a GAAP Basis	Adjustments-Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES						
Special assessments	$ 80,000	$ 126,256	$ 89,180	$ —	$ 89,180	$ (37,076)
Investment earnings	20,000	1,674	12,425	—	12,425	10,751
Total revenues	100,000	127,930	101,605	—	101,605	(26,325)
OTHER FINANCING USES						
Transfers out	(106,068)	(106,068)	(106,068)	—	(106,068)	—
Net change in fund balance	(6,068)	21,862	(4,463)	—	(4,463)	(26,325)
Fund balance, beginning	6,068	4,463	4,463	—	4,463	—
Fund balance, ending	$ —	$ 26,325	$ —	$ —	$ —	$ (26,325)

City of Frisco

Grants Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts					
	Original	Final	Actual on a GAAP Basis	Adjustments-Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES						
Grant income	$ 1,577,235	$ 6,354,089	$ 996,779	$ —	$ 996,779	$ (5,357,310)
Total revenues	1,577,235	6,354,089	996,779	—	996,779	(5,357,310)
EXPENDITURES						
Current:						
General government	—	94,192	76,681	(76,682)	(1)	94,193
Public safety	1,877,235	1,750,829	1,003,456	(2,128)	1,001,328	749,501
Public works	—	786,316	2,200	—	2,200	784,116
Capital outlay	—	308,607	310,812	(166,447)	144,365	164,242
Total expenditures	1,877,235	2,939,944	1,393,149	(245,257)	1,147,892	1,792,052
Excess (deficiency) of revenues over (under) expenditures	(300,000)	3,414,145	(396,370)	245,257	(151,113)	(3,565,258)
OTHER FINANCING SOURCES (USES)						
Transfers in	300,000	433,016	396,370	—	396,370	(36,646)
Transfers out	—	(3,847,161)	—	—	—	3,847,161
Total other financing sources (uses)	300,000	(3,414,145)	396,370	—	396,370	3,810,515
Net change in fund balance	—	—	—	245,257	245,257	245,257
Fund balance, beginning	—	—	—	(349,415)	(349,415)	(349,415)
Fund balance, ending	$ —	$ —	$ —	$ (104,158)	$ (104,158)	$ (104,158)

Adjustments to Revenues, Expenditures and Other Financing Sources and Uses From GAAP Basis to Budgetary Basis
For the Year Ended September 30, 2024

	Net Change in Fund Balance
GAAP basis	$ —
Expenditures:	
Increase due to encumbrances from prior year	349,415
Decrease due to encumbrances for current year	(104,158)
Budgetary basis	$ 245,257

City of Frisco

CDBG Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts					
	Original	Final	Actual on a GAAP Basis	Adjustments-Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES						
Grant income	$ 1,567,100	$ 1,195,410	$ 385,339	$ —	$ 385,339	$ (810,071)
Miscellaneous	13,000	22,340	1,610	—	1,610	(20,730)
Total revenues	1,580,100	1,217,750	386,949	—	386,949	(830,801)
EXPENDITURES						
Current						
General government	1,432,608	927,950	386,949	—	386,949	541,001
Total expenditures	1,432,608	927,950	386,949	—	386,949	541,001
Excess (deficiency) of revenues over (under) expenditures	147,492	289,800	—	—	—	(289,800)
OTHER FINANCING USES						
Transfers out	(147,492)	(289,800)	—	—	—	289,800
Total other financing sources (uses)	(147,492)	(289,800)	—	—	—	289,800
Net change in fund balance	—	—	—	—	—	—
Fund balance, beginning	—	—	—	—	—	—
Fund balance, ending	$ —	$ —	$ —	$ —	$ —	$ —

City of Frisco

Traffic Control Enforcement Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts					
	Original	Final	Actual on a GAAP Basis	Adjustments-Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES						
Investment earnings	$ —	$ —	$ 3	$ —	$ 3	$ 3
Total revenues	—	—	3	—	3	3
EXPENDITURES						
Current						
Public safety	10,108	1,359	2,617	—	2,617	(1,258)
Total expenditures	10,108	1,359	2,617	—	2,617	$ (1,258)
Net change in fund	(10,108)	(1,359)	(2,614)	—	(2,614)	1,255
Fund balance, beginning	10,108	21,839	21,839	—	21,839	—
Fund balance, ending	$ —	$ 20,480	$ 19,225	$ —	$ 19,225	$ (1,255)

City of Frisco

TIRZ #5 Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts					
	Original	Final	Actual on a GAAP Basis	Adjustments-Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES						
Taxes:						
Property tax	$ 1,486,744	$ 1,496,535	$ 1,496,535	$ —	$ 1,496,535	$ —
Sales tax	493,500	487,000	483,803	—	483,803	(3,197)
Investment earnings	24,000	55,128	72,050	—	72,050	16,922
Total revenues	2,004,244	2,038,663	2,052,388	—	2,052,388	13,725
OTHER FINANCING SOURCES (USES)						
Transfers out	(1,272,235)	(1,272,535)	(1,272,235)	—	(1,272,235)	300
Total other financing sources (uses)	(1,272,235)	(1,272,535)	(1,272,235)	—	(1,272,235)	300
Net change in fund balance	732,009	766,128	780,153	—	780,153	14,025
Fund balance, beginning	1,203,707	1,241,364	1,241,364	—	1,241,364	—
Fund balance, ending	$ 1,935,716	$ 2,007,492	$ 2,021,517	$ —	$ 2,021,517	$ 14,025

City of Frisco

TIRZ #6 Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts					
	Original	Final	Actual on a GAAP Basis	Adjustments-Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES						
Taxes:						
Property tax	$ 487,144	$ 573,053	$ 573,053	$ —	$ 573,053	$ —
Interest income	1,000	13,328	22,237	—	22,237	8,909
Payments from component units	204,495	204,495	204,495	—	204,495	—
Total revenues	692,639	790,876	799,785	—	799,785	8,909
OTHER FINANCING SOURCES (USES)						
Transfers out	(204,495)	(204,495)	(204,495)	—	(204,495)	—
Total other financing sources (uses)	(204,495)	(204,495)	(204,495)	—	(204,495)	—
Net change in fund balance	488,144	586,381	595,290	—	595,290	8,909
Fund balance, beginning	167,651	170,554	170,554	—	170,554	—
Fund balance, ending	$ 655,795	$ 756,935	$ 765,844	$ —	$ 765,844	$ 8,909

City of Frisco
TIRZ #7 Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts					
	Original	Final	Actual on a GAAP Basis	Adjustments-Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES						
Taxes:						
Property tax	$ 196,777	$ 153,342	$ 153,342	$ —	$ 153,342	$ —
Interest income	600	17,384	17,508	—	17,508	124
Contributions, donations and grants	3,986,933	1,753,489	1,753,489	—	1,753,489	—
Total revenues	4,184,310	1,924,215	1,924,339	—	1,924,339	124
OTHER FINANCING SOURCES (USES)						
Transfers in	—	2,233,444	2,233,444		2,233,444	—
Transfers out	(3,986,933)	(3,986,933)	(3,986,933)	—	(3,986,933)	—
Total other financing sources (uses)	(3,986,933)	(1,753,489)	(1,753,489)	—	(1,753,489)	—
Net change in fund balance	197,377	170,726	170,850	—	170,850	124
Fund balance, beginning	1,809,479	570	570	—	570	—
Fund balance, ending	$ 2,006,856	$ 171,296	$ 171,420	$ —	$ 171,420	$ 124

City of Frisco

Court Fees Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts					
	Original	Final	Actual on a GAAP Basis	Adjustments - Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES						
Fines	$ 143,000	$ 147,706	$ 168,677	$ —	$ 168,677	$ 20,971
Investment earnings	6,400	8,142	7,635	—	7,635	(507)
Miscellaneous	600	1,045	1,193	—	1,193	148
Total revenues	150,000	156,893	177,505	—	177,505	20,612
EXPENDITURES						
Current:						
General government	122,439	139,176	(77,043)	—	(77,043)	216,219
Capital outlay	—	—	914,362	—	914,362	(914,362)
Debt Service:						
Principal retirement	—	—	195,487	—	195,487	(195,487)
Total expenditures	122,439	139,176	1,032,806	—	1,032,806	(893,630)
Excess (deficiency) of revenues over (under) expenditures	27,561	17,717	(855,301)	—	(855,301)	(873,018)
OTHER FINANCING SOURCES (USES)						
SBITA financing	—	—	914,362	—	914,362	914,362
Transfers out	(84,000)	(84,000)	(84,000)	—	(84,000)	—
Total other financing sources (uses)	(84,000)	(84,000)	830,362	—	830,362	914,362
Net change in fund balance	(56,439)	(66,283)	(24,939)	—	(24,939)	41,344
Fund balance, beginning	131,149	184,070	184,070	—	184,070	—
Fund balance, ending	$ 74,710	$ 117,787	$ 159,131	$ —	$ 159,131	$ 41,344

City of Frisco

PEG Cable Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts					
	Original	Final	Actual on a GAAP Basis	Adjustments - Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES						
Taxes:						
Franchise	$ 170,000	$ 170,000	$ 177,302	$ —	$ 177,302	$ 7,302
Investment earnings	40,000	87,279	91,232	—	91,232	3,953
Total revenues	210,000	257,279	268,534	—	268,534	11,255
EXPENDITURES						
Current:						
General government	—	45,457	4,812	—	4,812	40,645
Capital outlay	674,835	629,378	328,240	203,506	531,746	97,632
Debt Service:						
Principal retirement	—	—	32,500	—	32,500	(32,500)
Total expenditures	674,835	674,835	365,552	203,506	569,058	105,777
Deficiency of revenues under expenditures	(464,835)	(417,556)	(97,018)	(203,506)	(300,524)	(94,522)
OTHER FINANCING SOURCES (USES)						
SBITA financing	—	—	171,369	—	171,369	171,369
Total other financing sources (uses)	—	—	171,369	—	171,369	171,369
Net change in fund balance	(464,835)	(417,556)	74,351	(203,506)	(129,155)	76,847
Fund balance, beginning	1,434,813	1,594,349	1,594,349	—	1,594,349	—
Fund balance, ending	$ 969,978	$ 1,176,793	$ 1,668,700	$ (203,506)	$ 1,465,194	$ 288,401

Adjustments to Revenues, Expenditures and Other Financing Sources and Uses From GAAP Basis to Budgetary Basis
For the Year Ended September 30, 2024

	Net Change in Fund Balance
GAAP basis	$ 74,351
Expenditures:	
Increase due to encumbrances from prior year	—
Decrease due to encumbrances for current year	(203,506)
Budgetary basis	$ (129,155)

City of Frisco

Road Impact Fees Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts					
	Original	Final	Actual on a GAAP Basis	Adjustments - Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES						
Special assessments	$ —	$ —	$ 5,576,810	$ —	$ 5,576,810	$ 5,576,810
Investment earnings	—	2,158,870	2,109,623	—	2,109,623	(49,247)
Total revenues	—	2,158,870	7,686,433	—	7,686,433	5,527,563
OTHER FINANCING SOURCES (USES)						
Transfers out	—	(38,466,012)	(15,031,072)	—	(15,031,072)	23,434,940
Total other financing sources (uses)	—	(38,466,012)	(15,031,072)	—	(15,031,072)	23,434,940
Net change in fund balance	—	(36,307,142)	(7,344,639)	—	(7,344,639)	28,962,503
Fund balance, beginning	3,762,946	36,963,484	36,963,484	—	36,963,484	—
Fund balance, ending	$ 3,762,946	$ 656,342	$29,618,845	$ —	$29,618,845	$28,962,503

City of Frisco

Park Development Fees Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2024

	Budgeted Amounts					
	Original	Final	Actual on a GAAP Basis	Adjustments - Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES						
Special assessments	$ —	$ —	$ 8,657,118	$ —	$ 8,657,118	$ 8,657,118
Investment earnings	—	1,603,809	1,735,185	—	1,735,185	131,376
Total revenues	—	1,603,809	10,392,303	—	10,392,303	8,788,494
OTHER FINANCING SOURCES (USES)						
Transfers out	(15,000,000)	(8,350,707)	(445,907)	—	(445,907)	7,904,800
Total other financing sources (uses)	(15,000,000)	(8,350,707)	(445,907)	—	(445,907)	7,904,800
Net change in fund balance	(15,000,000)	(6,746,898)	9,946,396	—	9,946,396	16,693,294
Fund balance, beginning	16,183,915	29,046,352	29,046,352	—	29,046,352	—
Fund balance, ending	$ 1,183,915	$22,299,454	$38,992,748	$ —	$38,992,748	$16,693,294

FRISCO
PROGRESS IN MOTION

NONMAJOR PROPRIETARY FUNDS

Proprietary funds charge customers directly for certain services provided.

Stormwater Drainage Fund - This fund is used to account for revenues specifically collected to accomplish the goals set by the Municipal Separate Stormwater System Plan.

Environmental Services Fund - This fund accounts for the collection and disposal fees of solid waste and recycling services.

City of Frisco

Combining Statement of Net Position
Nonmajor Proprietary Fund Financial Statements
September 30, 2024

	Business-type Activities Enterprise Funds		
	Stormwater Drainage	Environmental Services	Nonmajor Proprietary Fund Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 6,437,793	$ 8,899,232	$ 15,337,025
Investments	486,224	—	486,224
Receivables: (net of allowances for uncollectibles)			
Grants	16,376	—	16,376
Other	—	134,325	134,325
Total current assets	6,940,393	9,033,557	15,973,950
Noncurrent assets			
Capital assets:			
Buildings and improvements	—	147,742	147,742
Improvements other than buildings	—	92,190	92,190
Machinery and equipment	1,915,266	877,497	2,792,763
Accumulated depreciation	(1,363,461)	(771,548)	(2,135,009)
Total capital assets (net of accumulated depreciation)	551,805	345,881	897,686
Total noncurrent assets	551,805	345,881	897,686
Total assets	7,492,198	9,379,438	16,871,636
DEFERRED OUTFLOWS OF RESOURCES			
Pension items	318,922	318,922	637,844
OPEB items	14,235	14,235	28,470
Total deferred outflows of resources	333,157	333,157	666,314

	Business-type Activities Enterprise Funds		
	Stormwater Drainage	Environmental Services	Nonmajor Proprietary Fund Total
LIABILITIES			
Current liabilities:			
Accounts payable	$ 91,058	$ 1,399,359	$ 1,490,417
Accrued liabilities	46,877	50,690	97,567
Monies held in escrow	27,116	—	27,116
Compensated absences	132,250	158,131	290,381
Total current liabilities	297,301	1,608,180	1,905,481
Noncurrent liabilities:			
Compensated absences	126,628	224,855	351,483
Pension	570,199	570,199	1,140,398
OPEB	41,592	41,592	83,184
Total noncurrent liabilities	738,419	836,646	1,575,065
Total liabilities	1,035,720	2,444,826	3,480,546
DEFERRED INFLOWS OF RESOURCES			
Pension items	15,574	15,574	31,148
OPEB items	36,026	36,026	72,052
Total deferred inflows of resources	51,600	51,600	103,200
NET POSITION			
Net investment in capital assets	551,805	345,881	897,686
Unrestricted	6,186,230	6,870,288	13,056,518
Total net position	$ 6,738,035	$ 7,216,169	$ 13,954,204

FRISCO
PROGRESS IN MOTION

City of Frisco

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Nonmajor Proprietary Fund Financial Statements
For the Year Ended September 30, 2024

	Business-type Activities Enterprise Funds		
	Stormwater Drainage	Environmental Services	Nonmajor Proprietary Fund Total
OPERATING REVENUES			
Charges for sales and services:			
Sanitation charges	$ —	$ 29,867,370	$ 29,867,370
Stormwater drainage fees	6,057,933	—	6,057,933
Miscellaneous	—	71,372	71,372
Total operating revenues	6,057,933	29,938,742	35,996,675
OPERATING EXPENSES			
Cost of sales and services	—	21,565,663	21,565,663
Administration	3,422,417	4,678,432	8,100,849
Depreciation	168,430	68,557	236,987
Total operating expenses	3,590,847	26,312,652	29,903,499
Operating income	2,467,086	3,626,090	6,093,176
NONOPERATING REVENUES (EXPENSES)			
Interest revenue	249,891	323,226	573,117
Contributions and grants	16,377	—	16,377
Gain on sale of equipment	13,899	2,245	16,144
Total non-operating revenues	280,167	325,471	605,638
Income before capital contributions	2,747,253	3,951,561	6,698,814
CAPITAL CONTRIBUTIONS			
Grant and intergovernmental contributions	358,685	—	358,685
Income before transfers	3,105,938	3,951,561	7,057,499
TRANSFERS			
Transfers out	(1,104,346)	(1,682,118)	(2,786,464)
Total transfers	(1,104,346)	(1,682,118)	(2,786,464)
Change in net position	2,001,592	2,269,443	4,271,035
Net position, beginning	4,736,443	4,946,726	9,683,169
Net position, ending	$ 6,738,035	$ 7,216,169	$ 13,954,204

City of Frisco

Combining Statement of Cash Flows
Nonmajor Proprietary Fund Financial Statements
For the Year Ended September 30, 2024

	Business-type Activities Enterprise Funds		
	Stormwater Drainage	Environmental Services	Nonmajor Proprietary Fund Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 6,041,557	$ 29,867,370	$ 35,908,927
Cash payments to suppliers for goods and services	(2,219,788)	(23,957,802)	(26,177,590)
Cash payments to employees for services	(1,960,081)	(2,273,640)	(4,233,721)
Other receipts	—	71,372	71,372
Net cash provided by operating activities	1,861,688	3,707,300	5,568,988
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers made to other funds	—	(1,682,118)	(1,682,118)
Contributions	16,377	—	16,377
Net cash provided (used) by noncapital financing activities	16,377	(1,682,118)	(1,665,741)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(137,600)	(111,169)	(248,769)
Proceeds from sale or transfer of equipment	13,899	13,500	27,399
Intergovernmental payments for capital construction	358,685	—	358,685
Transfers made to other funds for capital construction	(1,104,346)	—	(1,104,346)
Net cash used in capital and related financing activities	(869,362)	(97,669)	(967,031)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investment securities	(482,961)	—	(482,961)
Proceeds from sale and maturities of investment securities	483,155	—	483,155
Interest on investments	245,795	323,225	569,020
Net cash provided by investing activities	245,989	323,225	569,214
Net increase in cash and cash equivalents	1,254,692	2,250,738	3,505,430
Cash and cash equivalents, beginning	5,183,101	6,648,494	11,831,595
Cash and cash equivalents, ending	$ 6,437,793	$ 8,899,232	$ 15,337,025

	Business-type Activities Enterprise Fund		
	Stormwater Drainage	Environmental Services	Nonmajor Proprietary Fund Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	$ 2,467,086	$ 3,626,090	$ 6,093,176
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	168,430	68,557	$ 236,987
Change in assets and liabilities:			
(Increase) decrease in-			
Receivables - utility bills	(16,376)	—	(16,376)
Receivables - other	—	(94,367)	(94,367)
Pension deferred outflow of resources	101,844	101,844	203,688
OPEB deferred outflow of resources	(1,094)	(1,094)	(2,188)
Increase (decrease) in-			
Accounts payable	(822,240)	71,902	(750,338)
Accrued liabilities	15,549	15,156	30,705
Liability for compensated absences	42,138	12,861	54,999
Pension deferred inflow of resources	(4,854)	(4,854)	(9,708)
OPEB deferred inflow of resources	(8,497)	(8,497)	(16,994)
Net pension liability	(86,809)	(86,809)	(173,618)
OPEB liability	6,511	6,511	13,022
Total adjustments	(605,398)	81,210	(524,188)
Net cash provided by operating activities	$ 1,861,688	$ 3,707,300	$ 5,568,988

FRISCO
PROGRESS IN MOTION

COMPONENT UNITS

Component Units are presented as legally separate reporting entities with dedicated revenue streams to fund specific projects and purposes.

Community Development Fund - The FCDC benefits the City and its citizens by developing recreational resources. It operates primarily within the geographic boundaries of the City and funding is derived from a half cent sales tax.

Economic Development Fund - FEDC benefits the City and its citizens by developing economic resources. Funding for this organization is derived from a half cent sales tax.

Charitable Foundation Fund - The Charitable Foundation benefits the City and its citizens through developing resources for recreational, cultural arts, senior adult and other related community development needs. Funding is derived from contributions.

City of Frisco
Combining Balance Sheet
Component Units
September 30, 2024

	Community Development Corporation	Economic Development Corporation	Charitable Foundation	Total Component Units
ASSETS				
Cash and cash equivalents	$ 43,903,734	$ 46,399,353	$ 49,238	$ 90,352,325
Investments	29,618,110	34,609,112	—	64,227,222
Receivables: (net of allowances for uncollectible)				
Sales tax	5,919,121	5,919,121	—	11,838,242
Leases receivables	4,485	43,426	—	47,911
PPP receivables	184,113	—	—	184,113
Other	252,484	217,756	—	470,240
Prepaids	—	80,489	—	80,489
Land held for resale	24,111,115	36,051,721	—	60,162,836
Restricted assets:				
Cash and cash equivalents	41,376,261	2,447,340	—	43,823,601
Investments	—	1,800,000	—	1,800,000
Total assets	145,369,423	127,568,318	49,238	272,986,979
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities				
Accounts payable	1,949,944	2,212,990	1,940	4,164,874
Accrued liabilities	2,569	53,379	—	55,948
Deposits	—	25,000	—	25,000
Total liabilities	1,952,513	2,291,369	1,940	4,245,822
Deferred inflows of resources:				
Lease related	3,636	42,358	—	45,994
PPP related	178,487	—	—	178,487
Total deferred inflows of resources	182,123	42,358	—	224,481
Fund balances:				
Nonspendable:				
Prepaid expenses	60,868	81,557	—	142,425
Land held for resale	24,111,115	36,051,721	—	60,162,836
Restricted for:				
Capital projects for future construction	2,428,121	4,247,340	—	6,675,461
Assigned for:				
Pollution remediation	44,076,671	—	—	44,076,671
Unassigned	72,558,012	84,853,973	47,298	157,459,283
Total fund balances	143,234,787	125,234,591	47,298	268,516,676
Total liabilities and fund balances	$ 145,369,423	$ 127,568,318	$ 49,238	$ 272,986,979

City of Frisco

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Component Units
For the Year Ended September 30, 2024

REVENUES	Community Development Corporation	Economic Development Corporation	Charitable Foundation	Total Components Units
Sales tax	$ 34,929,072	$ 34,929,072	$ —	$ 69,858,144
Investment earnings	5,976,185	4,242,495	2,491	10,221,171
Contributions	—	43,775	1,500	45,275
Charges for Services	8,921	—	—	8,921
Rents	203,287	46,209	—	249,496
Payments from primary government	5,196,573	—	—	5,196,573
Miscellaneous	757,763	34,969	—	792,732
Total Revenues	47,071,801	39,296,520	3,991	86,372,312
EXPENDITURES				
Current:				
General government	23,165,718	18,811,598	—	41,977,316
Culture and recreation	7,959,563	—	1,350	7,960,913
Capital outlay (includes $4,369,762 not capitalized)	4,869,755	2,649,392	—	7,519,147
Debt service:				
Principal retirement	3,355,000	2,708,019	—	6,063,019
Interest and fiscal charges	1,571,477	865,616	—	2,437,093
Total expenditures	40,921,513	25,034,625	1,350	65,957,488
Excess (deficiency) of revenues over (under) expenditures	6,150,288	14,261,895	2,641	20,414,824
Net change in fund balances	6,150,288	14,261,895	2,641	20,414,824
Fund balances, beginning	137,084,499	110,972,696	44,657	248,101,852
Fund balances, ending	$ 143,234,787	$ 125,234,591	$ 47,298	$ 268,516,676

City of Frisco

Reconciliation of the Combining Balance Sheet of Component Units to the Statement of Net Position
September 30, 2024

Total fund balances per balance sheet			$ 268,516,676
Amounts reported for component unit activities in the statement of position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			93,404,053
Deferred outflow of resources are not financial resources and, therefore, are not reported at the fund level.			702,667
Some long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Those liabilities consist of:			
	Bonds payable	71,840,000	
	Notes payable	435,827	
	Pollution remediation obligations	34,721,342	
	Accrued interest payable	301,579	
	Leases payable	18,298	
	Compensated absences	338,514	
	Net pension liability & related deferred inflows	1,171,546	
	Total OPEB liability & related deferred inflows	155,237	
Total long-term liabilities			(108,982,343)
Total net position - component units			$ 253,641,053

City of Frisco

Reconciliation of the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances of Component Units to the Statement of Activities
September 30, 2024

Net change in fund balances - total component units		$ 20,414,824
Amounts reported for component units in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		6,761,326
Revenues in the statement of activities that do not provide current financials resources are not reported as revenues in the funds		(14,593)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		6,063,019
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		1,149,927
Change in net position of component units		$ 34,374,503

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Frisco's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends	140
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	151
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
Debt Capacity	160
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
Demographic and Economic Information	166
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
Operating Information	168
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

City of Frisco
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited)

	2015	2016	2017	2018
Governmental activities				
Net investment in capital assets	$ 886,959,457	$ 1,051,389,064	$ 1,123,429,533	$ 1,215,381,073
Restricted	54,319,922	62,763,394	69,106,670	71,803,680
Unrestricted	29,893,408	43,272,641	45,371,848	48,218,988
Total governmental activities net position	971,172,787	1,157,425,099	1,237,908,051	1,335,403,741
Business-type activities				
Net investment in capital assets	222,392,769	249,009,918	271,084,999	306,888,683
Restricted	26,256,457	29,954,906	31,907,294	32,201,559
Unrestricted	44,321,482	47,844,692	49,288,154	58,893,202
Total business-type activities net position	292,970,708	326,809,516	352,280,447	397,983,444
Primary government				
Net investment in capital assets	1,109,352,226	1,300,398,982	1,394,514,532	1,522,269,756
Restricted	80,576,379	92,718,300	101,013,964	104,005,239
Unrestricted	74,214,890	91,117,333	94,660,002	107,112,190
Total primary government net position	$ 1,264,143,495	$ 1,484,234,615	$ 1,590,188,498	$ 1,733,387,185

2019	2020	2021	2022	2023	2024
$ 1,315,371,557	$ 1,375,189,312	$ 1,377,424,378	$ 1,418,589,171	$ 1,629,704,647	$ 1,719,006,495
77,158,120	74,348,180	83,564,484	79,492,981	115,789,781	140,794,627
54,966,379	63,089,924	76,019,002	102,827,708	125,352,724	122,589,523
1,447,496,056	1,512,627,416	1,537,007,864	1,600,909,860	1,870,847,152	1,982,390,645
330,734,056	359,016,697	367,819,577	384,612,613	417,152,759	493,028,421
37,917,240	36,861,360	45,397,680	48,698,597	52,921,452	28,299,111
59,555,627	69,008,288	73,012,369	90,052,754	106,993,492	129,648,023
428,206,923	464,886,345	486,229,626	523,363,964	577,067,703	650,975,555
1,646,105,613	1,734,206,009	1,745,243,955	1,803,201,784	2,046,857,406	2,212,034,916
115,075,360	111,209,540	128,962,164	128,191,578	168,711,233	169,093,738
114,522,006	132,098,212	149,031,371	192,880,462	232,346,216	252,237,546
$ 1,875,702,979	$ 1,977,513,761	$ 2,023,237,490	$ 2,124,273,824	$ 2,447,914,855	$ 2,633,366,200

City of Frisco

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited)

	2015	2016	2017	2017
Expenses				
Governmental activities:				
General government	$ 53,318,813	$ 56,719,612	$ 71,141,026	$ 75,995,523
Public safety	57,906,328	66,878,782	75,124,144	82,425,573
Public works	39,730,064	46,082,286	44,655,377	49,265,749
Culture & recreation	29,483,819	33,135,218	35,598,228	39,046,786
Interest on long-term debt	18,443,803	17,577,838	19,087,970	18,785,636
Total governmental activities expenses	198,882,827	220,393,736	245,606,745	265,519,267
Business-type activities:				
Water & sewer	66,188,799	78,892,654	95,527,532	93,666,630
Non-major enterprise funds	12,337,646	13,713,061	14,762,734	17,221,827
Total business-type activities expenses	78,526,445	92,605,715	110,290,266	110,888,457
Total primary government expenses	$ 277,409,272	$ 312,999,451	$ 355,897,011	$ 376,407,724
Program Revenues				
Governmental activities:				
Charges for services:				
General government	$ 19,912,210	$ 20,285,841	$ 22,097,082	$ 22,502,540
Public safety	3,174,725	3,829,863	4,451,318	4,205,493
Public works	205,469	117,529	123,470	94,935
Culture & recreation	5,433,040	5,857,044	6,029,895	5,966,865
Operating grants and contributions	3,236,153	4,944,360	4,305,641	7,374,981
Capital grants and contributions	122,651,198	199,150,396	87,384,164	82,826,541
Total governmental activities program revenues	154,612,795	234,185,033	124,391,570	122,971,355
Business-type activities:				
Charges for services:				
Water & sewer	69,190,052	79,399,924	84,814,386	9,676,900
Non-major enterprise funds	15,989,296	16,202,674	17,083,995	20,055,741
Operating grants and contributions	41,366	67,965	142,500	—
Capital grants and contributions	29,793,281	32,233,793	34,841,951	40,895,889
Total business-type activities program revenues	115,013,995	127,904,356	136,882,832	70,628,530
Total primary government program revenues	$ 269,626,790	$ 362,089,389	$ 261,274,402	$ 193,599,885
Net (expense)/revenue				
Governmental activities	$ (44,270,032)	$ 13,791,297	$ (121,215,175)	$ (142,547,912)
Business-type activities	36,487,550	35,298,641	26,592,566	46,831,073
Total primary government net expense	$ (7,782,482)	49,089,938	(94,622,609)	(95,716,839)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Ad valorem taxes	$ 85,412,246	$ 97,716,101	$ 112,456,629	$ 120,389,122
Sales taxes	36,003,036	37,826,251	40,408,821	43,363,487
Franchise taxes	9,338,941	9,366,054	10,126,891	11,007,612
Other taxes	5,019,906	5,278,619	5,678,518	7,212,592
Ad valorem taxes, Intergovernmental	37,600,247	18,109,962	28,275,708	54,774,029
Investment earnings	859,102	1,805,611	2,717,226	5,434,361
Transfers	306,393	2,358,417	2,034,334	2,261,440
Total governmental activities	174,539,871	172,461,015	201,698,127	244,442,643
Business-type activities:				
Intergovernmental	105,040	446,978	124,048	169,584
Investment earnings	267,813	451,606	788,651	1,696,952
Transfers	(306,393)	(2,358,417)	(2,034,334)	(2,261,440)
Total business-type activities	66,460	(1,459,833)	(1,121,635)	(394,904)
Total primary government	174,606,331	171,001,182	200,576,492	244,047,739
Change in Net Position				
Governmental activities	130,269,839	186,252,312	80,482,952	101,894,731
Business-type activities	36,554,010	33,838,808	25,470,931	46,436,169
Total primary government net expense	$ 166,823,849	$ 220,091,120	$ 105,953,883	$ 148,330,900

2019	2020	2021	2022	2023	2024
$ 81,789,316	$ 93,428,738	$ 92,795,035	$ 102,466,806	$ 107,480,307	$ 113,278,014
92,202,109	95,145,910	106,713,823	105,809,779	122,379,383	129,266,692
51,333,497	53,555,748	62,311,511	65,960,543	71,000,153	74,720,050
40,449,835	37,418,970	32,772,532	35,623,318	43,578,414	57,101,287
21,126,900	22,274,232	22,093,367	23,800,021	36,546,363	36,018,232
286,901,657	301,823,598	316,686,268	333,660,467	380,984,620	410,384,275
101,466,829	103,357,849	107,973,934	114,982,995	131,605,087	143,458,432
19,367,794	20,575,386	26,232,863	24,983,495	30,115,945	29,903,499
120,834,623	123,933,235	134,206,797	139,966,490	161,721,032	173,361,931
$ 407,736,280	$ 425,756,833	$ 450,893,065	$ 473,626,957	$ 542,705,652	$ 583,746,206
$ 25,060,656	$ 20,076,791	$ 10,981,423	$ 13,812,550	$ 8,712,800	$ 13,006,154
4,513,162	4,256,643	14,566,360	15,097,220	14,421,437	12,513,927
239,853	119,616	101,817	169,563	177,050	112,984
5,841,035	3,040,120	4,077,423	6,594,845	10,670,516	7,411,249
10,992,363	20,906,735	16,941,430	7,019,760	7,730,605	8,192,900
110,727,397	66,775,450	30,506,858	52,269,697	243,407,051	83,996,036
157,374,466	115,175,355	77,175,311	94,963,635	285,119,459	125,233,250
95,978,738	104,121,381	106,735,274	127,625,789	139,476,276	152,091,454
21,624,569	22,970,543	25,747,755	27,888,005	33,019,272	36,012,819
29,500	—	93,984	67,720	15,534	20,311
33,909,304	30,875,237	23,139,862	27,093,655	32,351,274	49,372,513
151,542,111	157,967,161	155,716,875	182,675,169	204,862,356	237,497,097
$ 308,916,577	$ 273,142,516	$ 232,892,186	$ 277,638,804	$ 489,981,815	$ 362,730,347
$ (129,527,191)	$ (186,648,243)	$ (239,510,957)	$ (238,696,832)	$ (95,865,161)	$ (285,151,025)
30,707,488	34,033,926	21,510,078	42,708,679	43,141,324	64,135,166
(98,819,703)	(152,614,317)	(218,000,879)	(195,988,153)	(52,723,837)	(221,015,859)
$ 131,952,480	$ 142,497,915	$ 150,882,839	$ 162,681,758	$ 186,988,575	$ 203,270,427
44,647,320	45,124,776	54,984,501	68,114,505	68,795,969	69,858,143
10,899,394	10,558,237	10,031,878	11,831,566	16,257,923	12,971,305
7,733,104	4,899,326	5,910,603	9,559,643	12,353,142	15,061,554
32,894,962	41,064,382	39,058,316	41,953,571	43,525,136	49,284,634
9,907,059	6,519,627	432,149	2,161,208	31,457,237	42,774,755
3,585,187	1,115,340	2,591,119	6,296,577	5,937,762	3,473,700
241,619,506	251,779,603	263,891,405	302,598,828	365,315,744	396,694,518
114,960	2,017,771	2,283,546	645,594	8,324,110	2,136,996
2,986,218	1,743,065	140,776	76,642	8,176,067	11,109,390
(3,585,187)	(1,115,340)	(2,591,119)	(6,296,577)	(5,937,762)	(3,473,700)
(484,009)	2,645,496	(166,797)	(5,574,341)	10,562,415	9,772,686
241,135,497	254,425,099	263,724,608	297,024,487	375,878,159	406,467,204
112,092,315	65,131,360	24,380,448	63,901,996	269,450,583	111,543,493
30,223,479	36,679,422	21,343,281	37,134,338	53,703,739	73,907,852
$ 142,315,794	$ 101,810,782	$ 45,723,729	$ 101,036,334	$ 323,154,322	$ 185,451,345

FRISCO
PROGRESS IN MOTION

City of Frisco
Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited)

Fiscal Year	Property Tax (1)	Sales Tax	Franchise Tax	Other Tax	Total
2015	85,412,246	36,003,036	9,338,941	5,019,906	135,774,129
2016	97,716,101	37,826,251	9,366,054	5,278,619	150,187,025
2017	112,456,629	40,408,821	10,126,891	5,678,518	168,670,859
2018	120,389,122	43,363,487	11,007,612	7,212,592	181,972,813
2019	131,952,480	44,647,320	10,899,394	7,733,104	195,232,298
2020	142,497,915	45,124,776	10,558,237	4,899,326	203,080,254
2021	150,882,839	54,984,501	10,031,878	5,910,603	221,809,821
2022	162,817,283	68,114,505	11,599,788	7,951,774	252,091,219
2023	186,988,575	68,795,969	16,257,923	12,353,142	284,395,609
2024	203,270,427	69,858,143	12,971,305	15,061,554	301,161,429

(1) Includes tax increment reinvestment zone tax collections each year.

2015	5,100,966
2016	5,464,343
2017	5,964,570
2018	6,922,354
2019	7,933,201
2020	8,665,933
2021	9,084,548
2022	9,631,017
2023	11,531,582
2024	13,479,541

City of Frisco

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(unaudited)

	2015	2016	2017	2018
General fund				
Nonspendable	$ 616,566	$ 657,471	$ 759,272	$ 777,323
Committed	14,414,810	16,466,361	10,534,528	15,357,662
Assigned	—	—	—	—
Unassigned	44,957,984	52,310,008	63	64,320,358
Total general fund	59,989,360	69,433,840	11,293,863	80,455,343
All other governmental funds				
Nonspendable	446,105	734,603	657,232	2,078,369
Restricted for:				
Debt service	5,278,799	5,175,796	5,847,513	6,181,803
Capital projects for future construction	172,606,032	224,453,812	218,222,683	215,663,589
Other purposes	8,095,288	8,361,344	9,082,010	9,864,542
Committed to:				
Capital projects for future construction	—	—	—	—
Assigned to:				
Capital projects for future construction	—	—	—	—
Total all other governmental funds	$ 186,426,224	$ 238,725,555	$ 233,809,438	$ 233,788,303

2019	2020	2021	2022	2023	2024
$ 1,294,145	$ 2,363,955	$ 2,964,991	$ 4,055,129	$ 5,863,822	$ 7,068,171
19,448,471	24,176,860	35,607,863	38,297,316	48,668,312	51,186,466
—	—	24,000,000	24,000,000	24,000,000	40,000,000
72,539,025	78,830,852	63,442,208	81,590,881	96,200,431	99,605,373
93,281,641	105,371,667	126,015,062	147,943,326	174,732,565	197,860,010
1,414,108	361,590	259,913	403,524	2,506,593	3,922,302
5,594,173	5,379,166	3,333,381	2,868,346	6,946,350	10,015,182
303,386,988	289,557,566	327,109,195	410,682,562	509,839,625	532,172,913
9,654,771	10,701,239	12,788,567	15,377,800	24,158,986	33,304,539
—	—	—	—	—	—
—	—	—	—	—	—
$ 320,050,040	$ 305,999,561	$ 343,491,056	$ 429,332,232	$ 543,451,554	$ 579,414,936

City of Frisco

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(unaudited)

	2015	2016	2017	2018
Revenues				
Taxes				
Property	$ 85,700,973	$ 97,282,372	$ 112,313,490	$ 120,342,757
Sales	36,003,036	37,826,251	40,408,821	43,363,487
Franchise	9,338,941	9,191,454	9,458,534	10,519,862
Hotel/motel	4,190,238	4,486,093	4,829,350	6,141,721
Other	829,668	792,526	849,168	1,070,871
Licenses and permits	11,016,411	11,679,493	12,904,536	12,906,768
Intergovernmental	44,141,948	37,848,162	25,271,312	34,343,637
Charges for services	8,196,996	8,689,774	9,518,417	9,307,701
Fines	2,767,638	2,747,076	2,744,917	2,685,495
Special assessments	12,964,474	17,068,934	13,128,149	9,456,594
Rents	6,453,883	6,636,174	6,775,706	7,107,397
Investment earnings	874,583	1,857,133	2,731,486	5,449,676
Contributions and donations	53,625,599	118,842,017	13,192,698	5,957,131
Payments from component units	18,443,289	7,376,943	18,516,124	30,054,581
Miscellaneous	423,527	466,688	424,768	259,802
Total revenues	294,971,204	362,791,090	273,067,476	298,967,480
Expenditures				
Current:				
General government	47,806,418	49,016,189	63,039,357	58,364,668
Public safety	52,387,610	60,113,259	67,730,266	75,812,773
Public works	8,987,439	10,174,879	13,291,112	15,287,383
Culture & recreation	17,807,190	20,723,877	23,498,609	25,849,819
Capital outlay	190,194,725	190,366,612	96,675,046	111,765,196
Debt Service:				
Principal retirement	28,275,060	30,565,000	35,675,000	39,365,000
Interest and fiscal charges	22,214,941	24,630,277	25,675,859	25,575,706
Total expenditures	367,673,383	385,590,093	325,585,249	352,020,545
Deficiency of revenues under expenditures	(72,702,179)	(22,799,003)	(52,517,773)	(53,053,065)
Other financing sources (uses)		—		
Issuance of debt	117,130,000	136,075,000	45,510,000	53,635,000
Premium on bonds issued	12,372,611	20,691,926	4,337,120	3,288,439
Discount on bonds issued	—	(277,741)	(245,231)	(57,075)
Payment to refunded debt escrow	(39,059,203)	(74,793,146)	—	—
Proceeds from sale of assets	116,537	488,358	349,033	542,029
Lease & SBITA financing	—	—	—	—
Transfers in	35,576,201	29,074,998	34,018,890	37,854,586
Transfers out	(35,269,808)	(26,716,581)	(31,984,556)	(35,593,146)
Total other financing sources (uses)	90,866,388	84,542,814	51,985,256	59,669,833
Net change in fund balances	$ 18,164,159	$ 61,743,811	$ (532,517)	$ 6,616,768
Debt service as a percentage of noncapital expenditures	28 %	28 %	27 %	27 %

2019	2020	2021	2022	2023	2024
$ 132,255,261	$ 142,680,642	$ 150,499,477	$ 162,817,283	$ 186,669,501	$ 202,281,214
44,647,320	45,124,776	54,984,501	68,114,505	68,795,969	69,858,143
10,899,394	10,377,109	10,208,513	11,599,788	14,065,163	13,503,344
6,585,178	3,986,339	4,716,757	7,951,774	10,518,328	12,959,430
1,147,926	912,987	1,193,846	1,607,869	1,834,814	2,102,124
11,845,079	11,042,795	11,400,651	11,810,918	10,731,154	8,612,363
31,505,376	42,359,161	31,987,641	37,002,768	37,306,621	35,996,946
12,440,670	6,660,246	8,992,914	11,765,777	13,238,350	13,433,228
2,790,298	1,653,881	1,453,044	1,930,831	2,264,137	2,403,154
12,269,748	10,281,368	4,636,136	9,175,965	16,007,448	14,323,108
7,868,238	7,346,215	7,621,861	8,240,008	7,034,500	6,088,996
9,923,941	6,535,040	451,584	2,187,692	31,544,564	42,775,458
10,127,217	18,588,225	14,019,943	11,928,641	8,195,194	23,893,353
6,527,981	14,427,272	12,015,743	9,543,980	12,154,608	20,711,653
415,895	555,915	327,808	1,413,490	457,919	1,957,184
301,249,522	322,531,971	314,510,419	357,091,289	420,818,270	470,899,698
61,656,204	73,405,760	72,066,799	84,018,396	84,235,809	89,607,284
82,171,292	85,683,572	93,734,421	100,889,707	110,984,296	119,096,669
13,784,679	14,104,118	14,689,360	15,303,760	17,194,467	16,807,131
26,439,537	23,273,373	24,060,845	27,056,390	32,461,748	41,865,130
74,689,302	83,886,289	63,475,200	87,962,224	123,228,219	197,399,779
42,870,000	47,270,000	49,710,000	52,621,103	62,890,099	57,705,449
26,527,706	28,466,893	28,106,672	29,501,052	28,406,187	37,036,851
328,138,720	356,090,005	345,843,297	397,352,632	459,400,825	559,518,293
(26,889,198)	(33,558,034)	(31,332,878)	(40,261,343)	(38,582,555)	(88,618,595)
115,325,000	26,790,000	89,950,000	138,030,000	205,460,000	139,040,000
5,881,139	3,404,111	12,068,625	7,025,585	12,166,495	12,747,013
(22,583)	(2,809)	—	(29,433)	(624,813)	(249,778)
—	—	(15,620,165)	(5,174,238)	(44,479,734)	(12,435,273)
1,208,489	290,939	478,189	566,135	268,188	551,535
—	—	—	1,316,157	276,509	4,582,225
40,587,673	48,208,830	45,775,727	51,200,072	46,855,708	50,757,876
(37,002,486)	(47,093,490)	(43,184,608)	(44,903,495)	(40,917,946)	(47,284,176)
125,977,232	31,597,581	89,467,768	148,030,783	179,004,407	147,709,422
$ 99,088,034	$ (1,960,453)	$ 58,134,890	$ 107,769,440	$ 140,421,852	$ 59,090,827
27 %	28 %	28 %	27 %	27 %	26 %

FRISCO
PROGRESS IN MOTION

City of Frisco
General Governmental Tax Revenues By Source
Last Ten Years
(modified accrual basis of accounting)
(unaudited)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Hotel/motel	Other	Total
2015	85,700,973	36,003,036	9,338,941	4,190,238	829,668	136,062,856
2016	97,282,372	37,826,251	9,191,454	4,486,093	792,526	149,578,696
2017	112,313,490	40,408,821	9,458,534	4,829,350	849,168	167,859,363
2018	120,342,757	43,363,487	10,519,862	6,141,721	1,070,871	181,438,698
2019	132,255,261	44,647,320	10,899,394	6,585,178	1,147,926	195,535,079
2020	142,680,642	45,124,776	10,377,109	3,986,339	912,987	203,081,853
2021	150,499,477	54,984,501	10,208,513	4,716,757	1,193,846	221,603,094
2022	162,817,283	68,114,505	11,599,788	7,951,774	1,607,869	252,091,219
2023	186,669,501	68,795,969	14,065,163	10,518,328	2,102,124	282,151,085
2024	202,281,214	69,858,143	13,503,344	12,959,430	2,102,124	300,704,255

City of Frisco
Property Values
Last Ten Fiscal Years
(Amounts Expressed in Thousands)
(unaudited)

Fiscal Year	Residential	Commercial	Agricultural	Other	Total
2015	13,330,794	4,879,036	1,787,543	1,268,086	21,265,459
2016	15,495,664	5,516,991	2,099,118	2,095,166	25,206,939
2017	18,186,050	6,466,246	2,329,473	2,746,943	29,728,712
2018	20,542,246	7,576,109	2,328,891	3,146,033	33,593,279
2019	22,501,199	8,935,342	2,203,443	3,051,263	36,691,247
2020	23,924,575	10,104,516	2,035,975	3,990,316	40,055,382
2021	24,989,914	11,138,005	2,002,203	4,243,330	42,373,452
2022	27,731,468	11,872,692	1,721,341	4,360,238	45,685,739
2023	37,368,444	13,567,018	1,855,724	4,679,864	57,471,050
2024	45,403,087	15,428,950	1,932,953	6,001,093	68,766,083

Less: Exemptions	Net Taxable	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
3,218,656	18,046,803	0.46000	18,046,803	85%
4,411,470	20,795,469	0.46000	20,795,469	82%
5,445,325	24,283,387	0.45000	24,283,387	82%
7,060,439	26,532,840	0.44660	26,532,840	79%
7,883,430	28,807,817	0.44660	28,807,817	79%
8,402,835	31,652,547	0.44660	31,652,547	79%
8,654,915	33,718,537	0.44660	33,718,537	80%
9,027,369	36,658,370	0.44660	36,658,370	80%
15,106,958	42,364,092	0.44660	42,364,092	74%
20,920,607	47,845,476	0.43221	47,845,476	70%

City of Frisco

Property Tax Rates
Direct and Overlapping Governments
(Per $100 of Assessed Value)
Last Ten Fiscal Years
(unaudited)

Collin County

Tax Year	Fiscal Year	City of Frisco			Collin County, Texas			Frisco Independent School District		
		Operating	Debt Service	Total	Operating	Debt Service	Total	Operating	Debt Service	Total
2014	2015	0.286791	0.173209	0.460000	0.177268	0.057732	0.235000	1.040000	0.420000	1.460000
2015	2016	0.297064	0.162936	0.460000	0.169800	0.055200	0.225000	1.040000	0.420000	1.460000
2016	2017	0.294052	0.155948	0.450000	0.153195	0.055200	0.208400	1.040000	0.420000	1.460000
2017	2018	0.290435	0.156165	0.446600	0.138796	0.053450	0.192200	1.040000	0.420000	1.460000
2018	2019	0.293367	0.153233	0.446600	0.127212	0.053573	0.180800	1.170000	0.270000	1.440000
2019	2020	0.291520	0.155080	0.446600	0.122951	0.052000	0.175000	1.068300	0.270000	1.338300
2020	2021	0.298973	0.147627	0.446600	0.120501	0.052030	0.172500	1.040200	0.270000	1.310200
2021	2022	0.295215	0.151385	0.446600	0.116836	0.051251	0.168087	0.997200	0.270000	1.267200
2022	2023	0.290928	0.155672	0.446600	0.108172	0.044271	0.152443	0.942900	0.270000	1.212900
2023	2024	0.289263	0.142942	0.432205	0.107493	0.041850	0.149343	0.757500	0.270000	1.027500

Information obtained from the Collin County Central Appraisal District.

Denton County

Tax Year	Fiscal Year	City of Frisco			Denton County, Texas			Frisco Independent School District		
		Operating	Debt Services	Total	Operating	Debt Service	Total	Operating	Debt Service	Total
2014	2015	0.286791	0.173209	0.460000	0.197909	0.074291	0.272200	1.040000	0.420000	1.460000
2015	2016	0.297064	0.162936	0.460000	0.192148	0.069852	0.262000	1.040000	0.420000	1.460000
2016	2017	0.294052	0.155948	0.450000	0.182418	0.065991	0.248410	1.040000	0.420000	1.460000
2017	2018	0.290435	0.156165	0.446600	0.173786	0.064026	0.237810	1.040000	0.420000	1.460000
2018	2019	0.293367	0.153233	0.446600	0.167712	0.057862	0.225570	1.170000	0.270000	1.440000
2019	2020	0.291520	0.155080	0.446600	0.171658	0.053620	0.225280	1.068300	0.270000	1.338300
2020	2021	0.298973	0.147627	0.446600	0.168381	0.056604	0.224985	1.040200	0.270000	1.310200
2021	2022	0.295215	0.151385	0.446600	0.181533	0.051553	0.233086	0.997200	0.270000	1.267200
2022	2023	0.290928	0.155672	0.446600	0.167502	0.050041	0.217543	0.942900	0.270000	1.212900
2023	2024	0.289263	0.142942	0.432205	0.146366	0.043119	0.189485	0.757500	0.270000	1.027500

Information obtained from the Denton County Central Appraisal District.

Collin County Community College			Prosper Independent School District			Total Direct and Overlapping Rates FISD	Total Direct and Overlapping Rates PISD
Operating	Debt Service	Total	Operating	Debt Service	Total		
0.078965	0.002995	0.081960	1.170000	0.500000	1.670000	2.236960	2.446960
0.078965	0.002995	0.081960	1.170000	0.500000	1.670000	2.226960	2.436960
0.078174	0.003048	0.081222	1.170000	0.500000	1.670000	2.199620	2.409620
0.077110	0.002692	0.079802	1.170000	0.500000	1.670000	2.178650	2.388650
0.079100	0.002122	0.081222	1.170000	0.500000	1.670000	2.148610	2.378610
0.079100	0.002122	0.081222	1.068350	0.500000	1.568350	2.041070	2.271120
0.079017	0.002205	0.081222	0.992700	0.500000	1.492700	2.010550	2.193050
0.079100	0.002122	0.081222	0.960300	0.500000	1.460300	1.963110	2.156210
0.075000	0.006220	0.081220	0.942900	0.500000	1.442900	1.893160	2.123160
0.075000	0.006220	0.081220	0.757500	0.500000	1.257500	1.690268	1.920268

Lewisville Independent School District			Little Elm Independent School District			Total Direct and Overlapping Rates FISD	Total Direct and Overlapping Rates LISD	Total Direct and Overlapping Rates LEISD
Operating	Debt Services	Total	Operating	Debt Services	Total			
1.040000	0.437000	1.477000	1.040000	0.500000	1.540000	2.192200	2.209200	2.272200
1.040000	0.436730	1.476730	1.170000	0.370000	1.540000	2.182000	2.198730	2.262000
1.040000	0.380000	1.420000	1.170000	0.370000	1.540000	2.158409	2.118409	2.238409
1.040000	0.367500	1.407500	1.170000	0.370000	1.540000	2.144412	2.091912	2.224412
1.040000	0.367500	1.407500	1.170000	0.470000	1.640000	2.112174	2.079674	2.312174
0.970000	0.367500	1.337500	1.068300	0.470000	1.538300	2.010178	2.009378	2.210178
0.966400	0.380900	1.347300	1.023600	0.470000	1.493600	1.981785	2.018885	2.165185
0.927600	0.380900	1.308500	0.960300	0.470000	1.430300	1.946886	1.988186	2.109986
0.855900	0.380900	1.236800	0.942900	0.470000	1.412900	1.877043	1.900943	2.077043
0.749200	0.380900	1.130100	0.757500	0.470000	1.227500	1.649190	1.751790	1.849190

FRISCO
PROGRESS IN MOTION

City of Frisco
Principal Taxpayers
Current Year and Nine Years Ago
September 30, 2024
(unaudited)

	2024			2015		
Taxpayer	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Stonebriar Mall Ltd Partnership	$ 348,754,057	1	0.73 %	$ 276,304,342	1	1.53 %
Blue Star HQ Inc.	221,550,743	2	0.46 %			
BRE Retail Residual Owner 1 LLC	185,500,000	3	0.39 %			
Blue Star Land Phase III LLC	157,776,169	4	0.33 %			
PPF AMLI Parkwood Boulevard LLC	156,433,040	5	0.33 %	47,479,726	10	0.26 %
TGA BSL Lonestar Owner LLC	143,647,704	6	0.30 %			
Hall 3201 Dallas Inc	135,559,231	7	0.28 %			
Blue Star Land Phase IV LLC	135,265,381	8	0.28 %			
HP D4 Residential LLC	124,944,400	9	0.26 %			
BPR Shopping Center LP				121,815,390	2	0.67 %
UDR Cool Springs I LLC	115,347,318	10	0.24 %			
Hall Office Portfolio DB LLC				73,100,000	3	0.41 %
Tenet Frisco Ltd				67,415,680	4	0.37 %
Frisco Station Partners LP				64,633,218	5	0.36 %
Specified Properties				63,472,889	6	0.35 %
Sabra Texas Holdings LP				61,170,486	7	0.34 %
HRT Properties of Texas LTD				50,000,000	8	0.28 %
Oncor Electric Delivery Company				48,445,919	9	0.27 %
	$1,724,778,043		3.60 %	$ 873,837,650		4.84 %

Source: Collin County Central Appraisal District
Denton County Central Appraisal District

City of Frisco
Property Tax Levies and Collections
Last Ten Fiscal Years
(unaudited)

Fiscal Year Ended September 30		Total Adjusted Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy			Collected in Subsequent Years
			Amount (1)	Percentage of Levy		
2015		84,042,993	83,034,597	98.8%	$	991,633
2016		96,315,490	95,400,787	99.1%		862,390
2017		108,900,105	108,630,126	99.8%		213,751
2018		118,458,993	118,194,277	99.8%		190,516
2019		130,215,109	129,917,230	99.8%		219,437
2020	(2)	141,144,312	141,130,104	100.0%		(90,336)
2021		149,783,428	149,048,880	99.5%		449,163
2022		162,285,191	161,828,147	99.7%		198,928
2023		186,534,516	185,515,546	99.5%		495,486
2024		203,337,309	201,971,839	99.3%		—

(1) Includes Rollback Tax Collections each year:

2015	1,798,784
2016	2,085,716
2017	2,904,273
2018	2,281,810
2019	1,865,915
2020	1,660,590
2021	567,888
2022	754,845
2023	489,002
2024	1,133,962

(2) Protests resulted in a decrease in the levy and a refund back to the taxpayers

Total Collections to Date	
Amount	Percentage to Levy
$ 84,026,230	100.0%
96,263,177	99.9%
108,843,878	99.9%
118,384,793	99.8%
130,136,667	99.9%
141,039,768	99.9%
149,498,043	99.8%
162,027,075	99.8%
186,011,032	99.7%
201,971,839	99.3%

City of Frisco
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years
(unaudited)

	Governmental Activities				Business-Type Activities			
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Leases	SBITAs	General Obligation Bonds (1)	Certificates of Obligation	Leases	SBITAs
2015	419,158,041	199,484,507	—	—	82,020,832	58,220,972	—	—
2016	468,046,042	192,838,087	—	—	76,173,629	72,011,281	—	—
2017	477,748,965	186,123,039	—	—	69,796,969	82,174,273	—	—
2018	491,948,330	178,133,394	—	—	61,370,686	93,621,865	—	—
2019	515,948,510	222,128,248	—	—	52,846,584	99,377,210	—	—
2020	498,318,357	212,716,332	—	—	44,280,909	109,586,713	—	—
2021	534,795,879	202,317,208	—	—	35,472,141	126,753,994	—	—
2022	581,709,397	231,049,509	1,040,055	—	27,714,973	134,616,401	77,864	—
2023	660,517,677	252,329,589	720,321	929,873	34,026,010	132,689,623	55,519	90,768
2024	706,427,045	281,174,241	594,694	3,702,275	34,760,585	137,070,609	32,809	—

(1) Includes General Obligation Refunding Bonds which are not supported by ad valorem tax.

Total Primary Government	Percentage of Personal Income	Per Capita
758,884,352	12%	5,025
809,069,039	11%	5,115
815,843,246	9%	4,818
825,074,275	9%	4,584
890,300,552	9%	4,683
864,902,311	8%	4,268
899,339,222	8%	4,247
976,208,198	8%	4,381
1,081,359,380	7%	4,723
1,163,762,258	7%	4,921

City of Frisco

Ratio of Net Bonded General Obligation Debt to Assessed Value
And Net Bonded General Obligation Debt Per Capita
Last Ten Fiscal Years
(unaudited)

Fiscal Year	Population	Assessed Value (,000) (2)	General Obligation Bonded Debt (3)	Less Debt Service Funds (4)
2015	151,030	18,046,802	501,178,873	2,022,051
2016	158,180	20,795,469	544,219,671	2,061,052
2017	169,320	24,283,387	547,545,934	2,769,122
2018	180,000	26,532,840	553,319,016	3,048,556
2019	190,093	28,807,817	568,795,094	1,948,700
2020	202,666	31,652,547	542,599,266	2,063,994
2021	211,758	33,718,537	570,268,020	46,807
2022	222,849	36,658,370	611,234,369	—
2023	228,941	42,364,092	694,543,687	2,879,235
2024	236,483 (1)	47,845,476	741,187,630	5,825,623

(1) Population estimate as of September 30, 2024
(2) Original Certified Taxable Value (,000)
(3) Includes refunded bonded debt which is not supported by ad valorem tax
(4) This represents net position restricted for debt service

Net Bonded General Obligation Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded General Obligation Debt per Capita
438,513,410	2.39	3,067
499,156,822	2.77	3,305
542,158,619	2.59	3,408
544,776,812	2.23	3,199
550,270,460	2.07	3,057
566,846,394	1.97	2,982
540,535,272	1.71	2,667
611,234,369	1.67	2,743
691,664,452	1.63	3,021
735,362,007	1.54	3,110

City of Frisco
Computation of Direct and Overlapping Bonded Debt
Net Bonded Debt Outstanding
September 30, 2024
(unaudited)

Jurisdiction	Net Bonded Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Direct debt: (2)			
City of Frisco, Texas	$ 1,110,400,000	100.00%	$ 1,110,400,000
Total direct debt	1,110,400,000		1,110,400,000
Overlapping debt: (1)			
Collin County	841,715,000	14.41%	121,291,132
Collin County College District	459,865,000	14.41%	66,266,547
Denton County	673,670,000	11.17%	75,248,939
Frisco Independent School District	2,191,990,934	71.32%	1,563,327,934
Lewisville Independent School District	1,411,915,000	3.81%	53,793,962
Little Elm Independent School District	583,787,736	12.46%	72,739,952
Prosper Independent School District	1,937,492,968	11.27%	218,355,457
Total overlapping debt	8,100,436,638		2,171,023,923
Total direct and overlapping debt	9,210,836,638		$ 3,281,423,923
Total direct and overlapping debt % of assessed value			6.86 %
Total direct and overlapping debt per capita			$13,876

(1) Information obtained from the Municipal Advisory Council (MAC) of Texas Report.
(2) Premiums and Discounts are not included in MAC Report.

City of Frisco
Computation of Legal Debt Margin
September 30, 2024
(unaudited)

The City Charter of the City of Frisco, Texas does not provide for a debt limit. Under provisions of state law, the maximum tax rate is limited to $2.50 per $100 assessed valuation.

The tax rate for fiscal year 2024 was established at $0.432205 per $100 of assessed valuation based on taxable appraised value.

City of Frisco

Demographic and Economic Statistics
Last Ten Fiscal Years
(unaudited)

Fiscal Year	Population		Personal Income (,000)	Per Capita Income		Median Age		School Enrollment		Unemployment Rate	
2015	151,030		6,584,153	43,595		36.1		53,323		3.5 %	
2016	158,180		7,555,626	47,766		37.0		55,924		3.9 %	
2017	169,320		8,926,212	52,718		37.4		58,461		3.7 %	
2018	180,000		9,428,040	52,378		37.4		60,205		3.2 %	
2019	190,093		10,131,006	53,295		37.7		62,730		3.1 %	
2020	202,666		10,237,268	50,513		36.0		63,533		3.6 %	
2021	211,758		10,696,532	50,513	*	36.0	*	65,494		3.6 %	*
2022	222,849		12,959,338	58,153		37.1		67,027		2.5 %	
2023	228,941		15,289,596	66,784		38.3		66,755		2.4 %	
2024	236,483	(1)	15,706,491	66,417	(2)	39.3	(2)	65,288	(3)	3.6 %	(2)

Sources:
(1) City of Frisco (At a Glance) as of September 30, 2024
(2) City of Frisco Development Services Annual Report January 2025
(3) Frisco Independent School District (School Enrollment), September 30, 2024
* Due to COVID-19 this data sourced from ACS does not have reliable data to update these figures

City of Frisco
Principal Employers
Current Year and Nine Years Ago
September 30, 2024
(unaudited)

	2024			2015		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Frisco ISD (4,595 certified teachers)	8,850	1	5.30%	6,556	1	9.32%
Dallas Cowboys	2,000	2	1.20%			
City of Frisco	1,813	3	1.09%	1,317	2	1.87%
HCL Technologies LTD	1,500	4	0.90%			
ICS	1,300	5	0.78%			
Keurig Dr Pepper Inc	1,213	6	0.73%			
Conifer				800	4	1.14%
Amerisource Bergen Specialty Group	749	7	0.45%	1,100	3	1.56%
Baylor Medical Center				642	5	0.91%
Baylor Scott White/Centennial Hospital	567	8	0.34%	490	8	0.70%
Collin County College				510	7	0.73%
Mario Sinacola & Sons Excavating	500	9	0.30%	603	6	0.86%
Goodman Networks Inc	463	10	0.28%			
Oracle				409	9	0.58%
Total	18,955		11.37%	12,427		17.67%

Source: FEDC, Frisco ISD Communications

City of Frisco
City Government Employees by Function/Program
Last Ten Fiscal Years
(unaudited)

Function	2015	2016	2017	2018	2019	2020 (1)	2021	2022	2023	2024
General government	238	258	267	277	288	288	289	299	315	328
Public safety										
Police										
Officers	170	180	199	210	214	218	221	235	252	273
Civilians	70	78	91	101	111	111	114	118	120	132
Fire										
Firefighters and officers	185	197	210	227	237	238	239	248	248	249
Civilians	17	21	22	26	28	27	27	28	31	33
Highway and streets										
Engineering	45	48	49	41	42	42	42	43	44	49
Maintenance	55	55	58	75	77	77	77	77	78	78
Culture and recreation	451	472	482	480	487	467	460	474	479	490
Environmental services	12	15	16	16	18	21	22	22	25	26
Utilities	87	92	97	112	119	119	119	124	126	135
Stormwater	12	14	16	19	20	20	20	20	20	20
Total	1,342	1,430	1,507	1,584	1,641	1,628	1,630	1,688	1,738	1,813

Source: City of Frisco-Position Control
(1) During COVID-19 Pandemic, the City had a reduction in workforce of part time culture and recreation employees

City of Frisco
Operating Indicators by Function
Last Ten Fiscal Years
(unaudited)

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
Building permits issued										
Residential	2,386	2,187	1,936	2,248	2,083	2,282	2,373	1,384	954	1,258
Commercial	432	549	644	600	477	454	423	620	547	514
Planning and development submittals	590	600	609	622	582	712	890	966	914	885
Police										
Physical arrests	3,138	3,197	3,137	3,676	3,562	2,462	2,230	3,004	3,235	3,035
Traffic violations	19,708	21,008	19,062	21,394	15,701	11,257	10,139	13,180	12,365	14,142
Parking violations	387	294	265	623	3,339	193	313	303	232	456
Fire protection										
Number of calls answered	10,666	11,747	12,660	14,172	14,783	14,471	19,107	19,522	18,492	19,407
Inspections	5,437	6,386	4,151	2,275	3,201	2,904	4,968	7,769	8,215	7,804
Inspections - SAFER Program	2,555	1,532	1,059	2,058	2,272	1,397	2,541	1,213	1,319	1,180
Highways and streets										
Street resurfacing (square yards)	25,827	19,391	18,238	24,697	24,419	16,055	33,802	38,403	34,068	15,000
Street curb miles swept	7,896	10,417	10,417	10,672	10,672	10,780	10,780	13,899	19,128	16,961
Environmental services										
Solid waste collected (tons)	110,962	105,050	108,002	113,504	113,709	114,892	121,212	129,013	129,887	135,547
Recycled materials collected (tons)	16,382	17,457	18,868	23,506	19,352	20,364	22,977	21,495	24,704	23,706
Culture and Recreation										
Library transactions	2,921,874	3,613,178	3,560,913	4,790,505	5,059,673	2,965,852	3,352,640	3,697,226	4,789,550	6,280,160
Library visits	587,313	620,115	632,168	651,002	702,979	356,036	405,235	575,418	830,422	1,162,816
Park acreage	1,449	1,432	1,621	2,535	2,535	2,535	2,535	2,423	2,423	2,423
Athletic facilities and Senior Center (visits)	711,661	853,265	814,748	753,000	794,281	325,676	407,229	648,962	656,094	713,881
Water										
New Connections	2,541	2,889	2,262	2,457	2,114	2,490	2,507	1,558	1,171	1,453
Average daily consumption (million gallons/ day)	24.2	25.6	25.9	31.1	28.7	32.0	33.6	39.0	40.3	41.4
Sewer										
Average daily wastewater flow (million gallon/day)	12.1	13.2	12.7	13.4	13.4	14.9	15.0	14.9	16.5	17.0

Sources: Various government departments

City of Frisco
Capital Asset Statistics by Function
Last Ten Fiscal Years
(unaudited)

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
Sports Complexes Supported	7	7	7	7	7	7	7	7	7	7
Museums, Art Gallery Supported**	3	3	3	3	3	3	3	3	3	3
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol and Traffic Dedicated Vehicles	45	60	65	70	72	75	79	83	88	94
Fire Stations	8	8	8	8	9	9	9	9	9	9
Highways and streets										
Streets (miles)	1,771	2,011	2,313	2,401	2,458	2,500	2,401	2,419	2,199	2,274
Streetlights/Street poles	8,973	9,360	10,032	10,421	11,636	12,032	12,908	13,029	13,191	13,647
Traffic signals	102	111	129	138	148	155	162	164	167	164
Culture and recreation										
Parks acreage										
Parks developed	921	921	921	921	1,545	1,545	1,545	1,528	1,530	1,530
Parks undeveloped	528	511	700	700	990	990	990	895	893	893
Swimming facilities	1	1	1	1	1	1	1	1	1	1
Recreation centers	1	1	1	1	1	1	1	1	1	1
Community centers	1	1	1	1	1	1	1	1	1	1
Tennis courts	4	6	6	6	6	6	6	8	8	8
Soccer fields	27	27	35	35	35	35	35	35	35	35
Baseball fields	24	24	24	24	24	24	24	24	24	24
Water										
Customers/Accounts	49,740	52,182	54,261	57,661	59,172	61,515	64,104	64,681	66,854	68,006
Water lines (miles)	899	914	993	1,030	1,059	1,059	1,131	1,156	1,178	1,212
Fire hydrants	9,712	9,886	10,801	11,215	11,624	11,622	12,382	12,907	13,244	13,660
Maximum daily capacity (millions of	127.0	127.0	127.0	127.0	127.0	127.0	127.0	127.0	127.0	127.0
Wastewater										
Customer/Accounts	46,763	48,281	50,212	53,457	55,842	58,354	60,392	60,486	63,114	64,099
Sanitary sewers (miles)	693	705	742	789	798	798	865	865	873	897
Storm sewers (miles)	642	375	417	438	448	448	470	484	491	511

**Museums, Art Galleries Supported include the Heritage Museum

Source: Various government departments